AMERICAN CATTLE PRODUCER

Volume XVI | DENVER, COLORADO | Number 11

ANLSA

APRIL 1935

OFFICIAL ORGAN OF THE
AMERICAN NATIONAL LIVE STOCK ASSOCIATION

PUBLISHED MONTHLY

ONE DOLLAR A YEAR

THE AMERICAN CATTLE PRODUCER

Volume XVI DENVER, COLORADO, APRIL, 1935 Number 11

Experimental Grazing Studies

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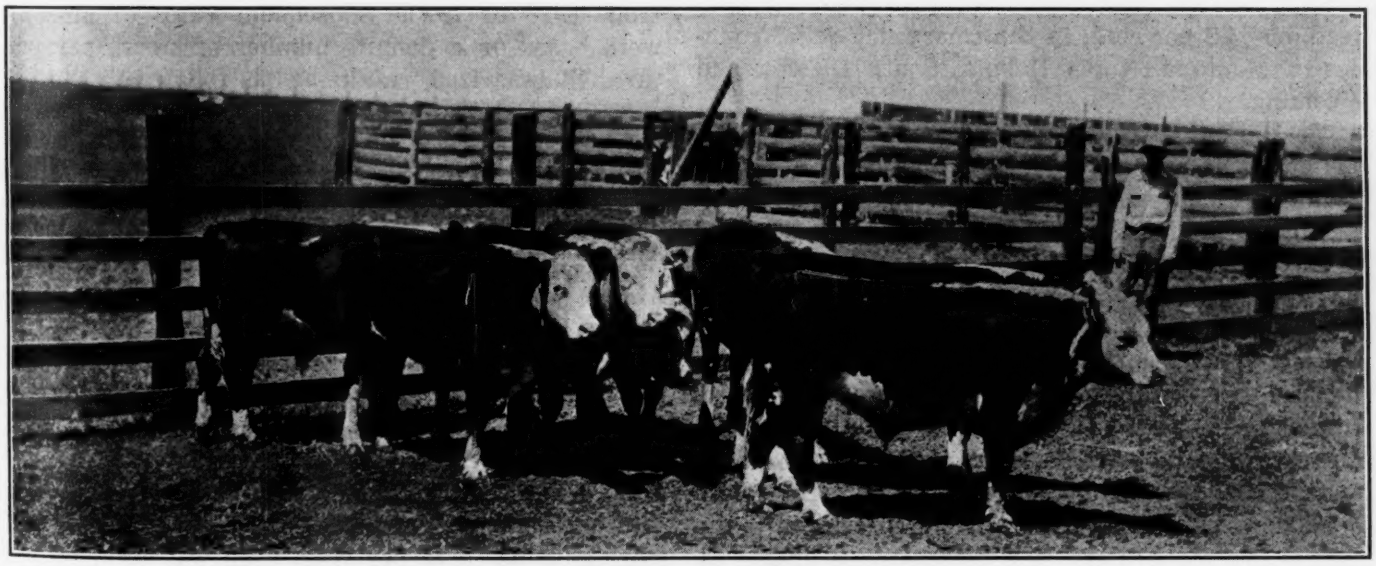
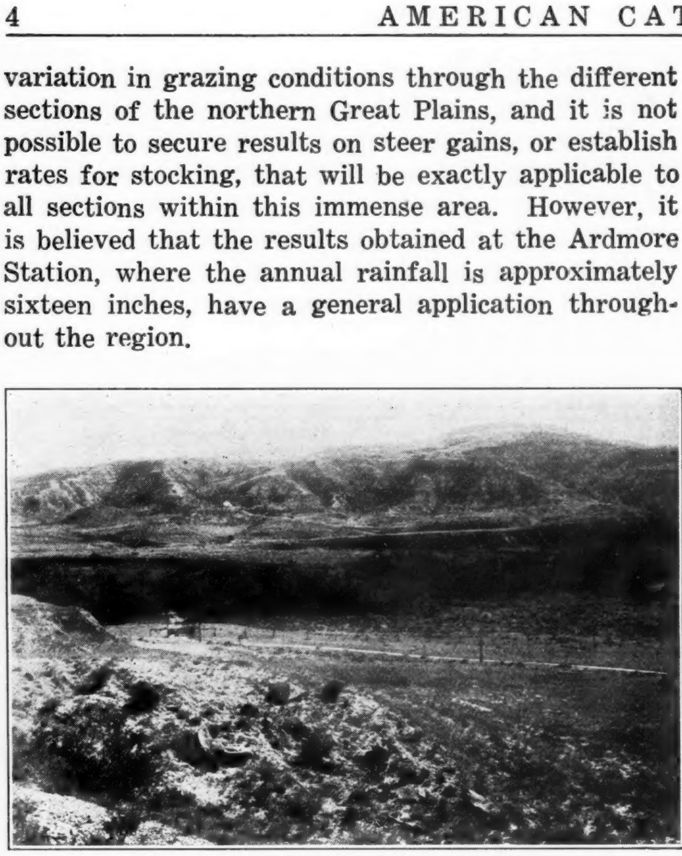
EXPERIMENTAL GRAZING STUDIES WITH yearling and two-year-old beef steers on native pastures were conducted by the federal Bureau of Animal Industry, in co-operation with the Bureau of Plant Industry, at the Ardmore Field Station from 1918 to 1932. Since 1932 the studies have been carried on by the Bureau of Animal Industry. Several phases of the work have been concluded, while new projects have been added during recent years. Grazing investigations in progress at the present time include the following projects: a study based on a comparison between rotated and continuously grazed pastures; a fattening experiment on two continuously grazed pastures where barley is full-fed as a supplement throughout the summer season to one lot of steers, and full-fed during the latter half of the grazing season to a second lot of steers; and a study based on the use of crested-wheatgrass pasture. The steers have been marketed at the close of each summer season, and, during recent years, steer grades, marketing, and slaughter data have been obtained on all experimental lots. There is a wide



TWO-YEAR-OLD STEERS FED BARLEY ON PASTURE

(Published at 515 Cooper Building, Denver, Colorado, by the American National Live Stock Association Publishing Company. Entered as second-class matter June 11, 1919, at Post Office at Denver, under Act of March 3, 1879. Acceptance for mailing at special postage provided for in Section 1103, Act of October 3, 1917, authorized on September 21, 1921. Subscription price: United States, $1.00 a year; Canadian and foreign, $1.50.)

variation in grazing conditions through the different sections of the northern Great Plains, and it is not possible to secure results on steer gains, or establish rates for stocking, that will be exactly applicable to all sections within this immense area. However, it is believed that the results obtained at the Ardmore Station, where the annual rainfall is approximately sixteen inches, have a general application throughout the region.



RANCH NEAR MEDORA, NORTH DAKOTA

Probably the greatest hazard known to the cattle industry in the western range states is a shortage of feed and water. A succession of dry years since 1931, terminating, as they did, in the general drought of 1934, constituted a major catastrophe in the livestock industry. The liquidation of cattle as the result of drought in 1934 amounted to 865,441 head, or 42.7 per cent, in South Dakota alone up to November 9, and a reduction in numbers amounting to 2,395,111 head, or 44.2 per cent, in the emergency relief counties of Montana, North Dakota, South Dakota, and Wyoming.

To the casual observer the recent drought could completely account for the present situation. To the stockman whose ranges must be restocked it would be a challenging thought to stop and consider whether the drought was alone responsible, or actually only the important, but marginal, factor in an already unhealthy economic condition. Need the ranges and pastures have been in such barren condition during the past summer had they not been so overgrazed during the last three years? The cattle population in the northern Great Plains, as well as in the other western range states, increased noticeably from 1928 to 1933; taxes remained high; cattle prices fell to an all-time low mark; Corn Belt feeders were unable to absorb surplus production, and the western range producer faced the situation of having more cattle on his hands than his ranges and pastures could carry, even under normal conditions. The financial losses shouldered by cattlemen alone, as a result of this situation and the emergency liquidation that followed, have been tremendous, and the equally serious problem of restocking the ranges still remains to be solved.

Important factors to be considered in connection with the return of cattle to the drought regions, from a production standpoint, include a safe, yet profitable, rate for stocking native range, and the development of additional pasture land through the use of hardy perennial grasses, such as crested wheatgrass. Grazing results and pasture studies secured at this station during the past seventeen years, which follow, should be helpful in connection with these problems.

Rotation and Continuous Systems for Grazing Native Range

The investigation was started in 1918, in co-operation with the Bureau of Plant Industry, and includes a comparison between a 160-acre pasture, divided into two 80-acre sections that were grazed for alternate 70-day periods under a system of rotation and deferred grazing; an 80-acre continuously grazed pasture, stocked at the same rate per acre as the rotation pasture; and a 150-acre continuous-use pasture, having a more liberal rate of stocking. The grazing season started each year between May 15 and May 30, and continued until the latter part of September or early October, depending on seasonal grazing conditions. Steers used in 1919 were three-year-olds, those used in 1921 were yearlings, while two-year-olds were used during all other years. The pastures were stocked each season with a definite weight of steers per pasture, regardless of number of head, from 1918 to 1923. Subsequent rates of stocking were based on a definite number of steers per pasture. Summarized, results are as follows:

Pasture Experiments	160-Acre Rotation	80-Acre Continuous	150-Acre Continuous
Seasons used	16	16	13
Total number of steers used	310	164	140
Average length of grazing season-days	133.5	122.8	136.6
Average rate of stocking—number of acres per steer	8.3	7.8	13.9
Average gain per steer	163.2	144.2	201.4
Average gain per acre	19.8	18.5	14.5

The average gain per steer in the rotation pasture through a 16-year period ending in 1933 amounted to 163.2 pounds, and the average gain per acre, with an average stocking rate of 1 steer to 8.3 acres, for a 133.5-day period amounted to 19.8 pounds. This is 11.6 per cent more gain per steer, and 6.5 per cent more gain per acre per year, than was produced by the 80-acre continuously grazed pasture. There was from 8 to 10 per cent more grass remaining on the ground in the rotation pasture at the close of the grazing season than in the 80-acre continuously

grazed pasture, and the period of seasonal use averaged 10 days longer. No serious influences from trampling, erosion, or overgrazing were noted in either of the pastures at the end of the 16-year period. Both pastures have been stocked with two-year-old beef steers during the past three seasons, at the rate of 1 steer to 10 acres. This rate of stocking allows for more reserve feed than would result where the average figure for 16 years' stocking—1 steer to 8.3 acres—is used. Steers grazed under these conditions do not acquire a grass-fat condition, and must be sold for feeding purposes.

The method or system of rotation in the 160-acre pasture was changed during the 1934 season from 70-day intervals to 28-day intervals of alternate use and rest. Results obtained during the past season of 1934 showed an average gain per steer of 157.2 pounds for the rotation pasture, as compared with an average gain of 83.1 pounds for the 80-acre continuous-use pasture. Both pastures were grazed for a 122-day period, and stocked at the rate of 1 steer to 10 acres.

The 150-acre continuous-use pasture was grazed under experimental conditions for a 13-year period, beginning in 1918 and ending in 1930, and stocked at the rate of 1 steer to 13.9 acres. The steers in this pasture produced an average gain amounting to 201.4 pounds per head, and an average gain per acre amounting to 14.5 pounds. This pasture produced on the average 18.9 per cent more gain per steer than the rotation pasture, and 26.9 per cent less gain per acre. It is estimated that approximately 33 per cent of the available forage remained on the ground at the close of the grazing season, as compared with an estimate of 15 per cent for the rotation pasture. The rate of stocking as shown for this pasture—1 steer to 13.9 acres for 137 days—allows a feed reserve to be accumulated for succeeding dry years, and two-year-old beef steers grazed under these conditions have a more favorable opportunity to acquire a grass-fat condition than on a heavier rate of stocking as shown for the rotation pasture.

Results from these grazing experiments indicate that a system of rotation grazing for pastures stocked at the approximate rate of 1 steer to 8 acres for a 133-day period is more satisfactory from the standpoint of steer gains than a similar rate of stocking under a system of continuous use. This rate of stocking is equivalent to 1 steer to 16.6 acres for a 9-month period, or 28 steers per 640 acres for year-around grazing, and is too heavy for maximum grass gains under average conditions. A rate of stocking of 1 steer to 13.9 acres, as shown for the 150-acre continuous pasture, will produce a larger gain per steer than the more heavily stocked rotation pasture, there will be a feed reserve at the end of the grazing season in normal years, and the steers will have a favorable opportunity to acquire grass fat. Steers cannot be expected to sell for slaughter when they have been carried on closely grazed pastures. A rate of stocking of 1 steer to 13.9 acres is equivalent to 1 steer to 28 acres for a 9-month period, or approximately 18 head per 640 acres for year-around grazing. It is possible that an intermediate rate of stocking of approximately 23 head per section for year-around grazing, or 1 steer to 10.4 acres for a 4½-month period, would more nearly suit average grazing conditions.

Barley Supplement Experiment

Two-year-old steers grazed continuously on an 80-acre native-grass pasture, stocked at the rate of 1 steer to 11.4 acres for a 122-day period during the 1934 season, consumed an average daily ration of 9.57 pounds of ground barley, produced an average gain of 297.1 pounds per steer, or an average daily gain of 2.44 pounds, and required 393.1 pounds of barley per 100 pounds of gain. These steers sold for slaughter, and had an average carcass yield of 59.3 per cent. Steers grazed on a second 80-acre pasture, stocked at the rate of 1 steer to 13.3 acres for a 122-day period, and fed an average daily ration of barley amounting to 11.67 pounds for a 66-day period, produced an average gain amounting to 226.5 pounds, or an average daily gain amounting to 1.86 pounds, and required 282.5 pounds of barley per 100 pounds of gain produced. These steers did not carry so much flesh as the former lot, but sold for slaughter,

CRESTED-WHEATGRASS PASTURE

and had a carcass yield of 58.7 per cent. Pastures available to both groups of steers had a good supply of grass left at the close of the experiment.

It is possible that the use of a grain supplement for fattening steers on summer pasture will develop into a satisfactory enterprise in certain regions, particularly in those located at long distances from a railroad. Additional feeding trials will be necessary, however, before definite conclusions can be drawn.

Crested Wheatgrass

Experiments conducted with a 20-acre field, seeded to crested wheatgrass in 1929, cut for hay and seed in 1930, cut for hay in 1931, and grazed by two-year-old steers in 1932, 1933, and 1934, indicate that this species of wheatgrass is adapted to the climatic conditions of the region, is drought-resistant and hardy, withstands trampling by steers, and has equal, if not greater, value for grazing purposes than the native range species. Studies conducted with this grass have been of limited nature, and the period of grazing has purposely been made to conform with that of native-grass pastures. It is planned, in the future, to carry on controlled experiments with crested wheatgrass having a wider range, in order to gain more information regarding carrying capacity, period of use, and utilization for winter, as well as summer, grazing purposes. Results for the three grazing seasons, in comparison with a 160-acre native-grass rotation pasture, are as follows:

Crested Wheatgrass versus Native Grass for Two-Year-Old Beef Steers

	1932		1933		1934		Av. 3 Years	
	Cr. Wheat-grass	Native Grass	Cr. Wheat-Grass	Native Grass	Cr. Wheat-grass	Native Grass	Cr. Wheat-grass	Native Grass
Acres in pastures	20	160	20	160	20	160	20	160
Grazing period (days)	89*	102	119	119	122	122	110	114.5
Number of steers used	4	16	4	16	2†	16	10	48
A. of pasture per steer	5	10	5	10	10	10	6	10
Av. gain per steer (lbs.)	146.8	167.9	217.5	231.4	205.0	157.2	186.7	180.7
Av. gain per acre	29.4	16.8	36.4	21.7	20.5	15.7	31.1	18.1

Hay yield per acre—average for two years, 643 lbs.
Pasture season started May 15 each year.
Seed yield on 6 acres—one year 350 lbs., or 58 lbs. per acre.

* A severe hailstorm on August 18, 1932, cut off the grass, and it was necessary to remove the steers from the pasture before the close of the grazing season.

† One steer killed by lightning left only two head on pasture.

The average gain per head for the 3-year period amounted to 186.7 pounds for steers on the crested-wheatgrass pasture, and 180.7 pounds for steers on the native-grass rotation pasture. The average gain per acre for the 3-year period amounted to 31.1 pounds for the crested-wheatgrass pasture and when stocked at an average rate of 1 steer to 6 acres for a 110-day period, as compared with an average gain per acre of 18.1 pounds for the native-grass pasture when stocked at the rate of 1 steer to 10 acres for a 114.5-day period. The grazing season started on or about May 15 each year. The crested-wheatgrass pasture, stocked at a heavier rate than the native pasture, had the greatest amount of reserve feed on the ground at the close of the grazing season.

In 1934 the 2 steers from the crested-wheatgrass pasture sold for slaughter in Omaha on September 17, while only 5 head from the native-grass rotation pasture sold for slaughter, and the remaining 11 sold as feeders. Steers from the crested-wheatgrass pasture had a lower shipping shrink and a higher carcass yield. Carcasses from both groups of steers were medium in grade.

AMERICAN NATIONAL FILES BRIEF ON CANADIAN TREATY

IN THE PENDING NEGOTIATIONS WITH THE Dominion of Canada on a reciprocal trade treaty, the American National Live Stock Association, representing also the Texas and Southwestern Cattle Raisers' Association, has filed a brief, urging that the present import duties on cattle and calves, dressed beef, oils and fats, and hides be maintained unabridged.

On the cattle tariff the following arguments, among others, are advanced:

"Despite the reduction of 8,000,000 head in our cattle numbers, through the recent government purchasing program, the cattle population of this country is not unduly low. Until recently, live-stock estimators seemed to assume that the cattle-buying program would thin out our herds to a marked extent, and, accordingly, they placed their figures low. However, recent official estimates show that on January 1, 1935, there were 60,667,000 cattle in the United States—11.2 per cent less than the number on hand January 1, 1934, which was 68,290,000. But the 1935 figure compares favorably with the five-year average 1930-34, which is 63,123,000. Our present cattle population will furnish an adequate supply of the nation's requirements.

"The recent advances in the domestic price of cattle have made possible imports of Canadian cattle in quantity for the first time in many years. While this movement has only got under way within the last few weeks, it is indicated that the cattle which have reached the Chicago market have paid the 3-cent tariff and the expense of shipping, estimated at about 1 cent a pound, and still left some margin over Canadian domestic prices.

"That our markets have reached such a level that the present tariff of 2½ cents on cattle weighing less than 700 pounds and 3 cents on cattle weighing more than 700 pounds is no longer a barrier against imports is further evidenced by the fact that thousands of Mexican cattle are now on feed in this country under bond, the duty to be paid when they go to market. Speculators are today scouring northern Mexico, making contracts for spring delivery. It is estimated that as many as 300,000 head of cattle will cross the Mexican border this spring.

"It is inconceivable that the United States would make a treaty with Canada which would lower the duty on cattle, without extending the same courtesy to the Mexican Republic on the south. That there is no occasion for a reduction in the duties on cattle or cattle products is clearly evidenced by the substantial movement of cattle and cattle products into this country, from both the north and the south, paying the existing rate of duty.

"The live-stock industry has been struggling under severe handicaps ever since the collapse of prices in 1929, and a series of untoward events—drought, low prices, high feed costs, etc.—have made its position an extremely difficult one. Through efforts on the part of range operators in reducing expenses, and with some relief in land taxes, etc., there has been some improvement in this condition. But the depression and the drought have left their marks, and it will take several years, with cattle at a fair price-level, to enable the industry to climb out from under its present mountain of debt and to restore it to a reasonably profitable level. Any reduction in the tariff would simply set back the industry into the same deplorable condition as that from which it has just emerged."

Dressed beef is dealt with in this way:

"As in the case of live cattle, for the first time in several years Canadian dressed beef is now being offered for sale in various eastern consuming centers. The movement has only recently got under way, but the maintenance of the present price-level will permit continued and increasing imports. For example, the January, 1935, issue of the *Live Stock and Meat Trade Review*, published monthly by the Dominion Live Stock Branch of the Department of Agriculture at Ottawa, Canada, shows exports to the United States in January of 61,600 pounds of dressed beef, compared with 100 pounds for the same month a year ago.

"Any revision downward of the present import duty would surely cause a flood of beef to this country, resulting in reduction of live-stock prices and the swelling of our already heavy cold-storage holdings."

With regard to oils and fats, it is pointed out that only insufficient protection is provided for our domestic industry by the present tariff and the excise-tax measure enacted last summer. The market for domestic animal fats has gradually been weakening during the past decade, under the policy of free importation of competing foreign oils in the manufacture of margarine, so that the dressed beef carcass was left to carry the whole burden of live-cattle prices. Although some improvement has taken place in this situation, the live-stock industry, laboring under the present distress, still needs such protection as the tariff and revenue tax afford.

Concerning hide and skin duties the brief states:

"The present tariff of 10 per cent ad valorem on cattle hides, and kip and calf skins, is entirely inadequate to protect domestic producers of these commodities. In spite of this tariff, whenever hide values reach a level that is at all remunerative to domestic producers, foreign hides are attracted from all parts of the world, and floods of these foreign hides immediately wipe out any advance. It is significant that hide prices for 1934, compared with those for 1933, did not enjoy the general advance that was the case with most commodities.

"For many years previous to the present tariff of 10 per cent ad valorem on hides, the cattlemen of the West were compelled to withstand a general free competition of hides—their chief by-product—from all over the world. Imports from Canada have been generous, even against the present import duty. In 1933 there were 26,388,000 pounds of cattle hides, and kip and calf skins, imported into this country from Canada.

"In several months in the latter part of 1934 there was a decline of approximately 4 cents a pound (or $2 an animal) in hide values, attributable to the recent drought cattle-purchase program. Slaughter of millions of animals under this program weighted our hide market with an unprecedented volume of skins, and, while the later contracts for the processing of these animals stipulated indefinite retention of the hides by the Federal Surplus Relief Corporation, the hides continued to accumulate, so that we now have a stock of some 2,000,000 in the hands of the corporation. This tremendous surplus stock thus stored away must eventually be absorbed, and any added burden of imports on our market at this time can only result in great loss to domestic producers."

Of the trade agreements so far taken up, that with Canada is by long odds the most important to the cattlemen of the West. No intimation has been given out as to when the discussions will be concluded.

TREATY WITH HAITI

A FOURTH TRADE AGREEMENT HAS BEEN EXtended by the United States in its covenant with Haiti on March 28. The principal provisions of the pact provide lower-priced rum and pineapples for Americans, and cheaper meat, leather, and machinery for the Haitians.

The three other reciprocal trade treaties of this type were signed with Cuba, Brazil, and Belgium.

ACCREDITATION OF RANGE AND SEMI-RANGE CATTLE

FROM TIME TO TIME THE "AMERICAN CATTLE PROducer" has advised its readers of the concession which the Bureau of Animal Industry and the United States Live Stock Sanitary Association made in December, 1933, relative to accreditation of herds in the range area as free from tuberculosis. Prior to that time the so-called "modified" plan was in effect. It read as follows:

"(a) When all bulls, purebred breeding cattle, milk cows, at least 10 per cent of the semi-range breeding females, and such other cattle as may be considered necessary by the state and federal department co-operating are tuberculin-tested."

As an alternative for this plan, the concession made in 1933 provided the following:

"(b) When all bulls, purebred breeding cattle, milk cows, barnyard cows, and home-fed cattle are tuberculin-tested, and properly identified post-mortem reports are produced showing that at least 10 per cent, and not less than twenty-five animals, of the breeding herd have been slaughtered within a year, and that such post-mortem examination failed to disclose lesions of tuberculosis."

When this matter was discussed at Chicago, it was clearly understood that this paragraph should have read: "When all *available* bulls, purebred breeding cattle, milk cows, barnyard cows, and home-fed cattle," etc.; and Dr. Hohler, chief of the Bureau of Animal Industry, has, by letter, accepted that qualification.

Dr. Mohler has given the range-cattle industry 100 per cent co-operation throughout the entire controversy relative to the methods of accreditation in range-cattle areas. Unfortunately, however, some of his subordinates have not. Only recently we have learned that in some states they have not only made no mention of the compromise plan (paragraph b), but have even made no mention of the original "modified" plan (paragraph a), and have actually told ranchers in the western territory that they should arrange to test all their cattle. Dr. Mohler has been good enough to circularize his staff, calling attention to the alternative plans provided, and it is at his suggestion that we again notify our readers in this matter, and urge them to inform themselves fully before proceeding with their plans for accreditation.

In order to take advantage of paragraph b, you should notify your commission man, at the time shipment is made, and ask for a special record of the post-mortem examination. If the record is clear, and your shipment was equivalent to at least 10 per cent of your breeding herd, and contained not less than twenty-five animals of the breeding herd, then you need only test *available* bulls, pure-bred breeding cattle, milk cows, barnyard cows, and home-fed cattle. Following up this plan next fall, when range shipments are under way, will materially expedite accreditation in several states—particularly Wyoming, Nebraska, and South Dakota. If you know of any instance where officials of the Bureau of Animal Industry will not cooperate on this basis, or where they insist on ranchmen going to unnecessary trouble to round up all the bulls, please notify this office, and the matter will be promptly taken up with Dr. Mohler.

LOUISIANA CATTLEMEN OPPOSE TAX

A RESOLUTION PASSED BY THE LOUISIANA CATTLEmen's Association, in convention at Baton Rouge, March 19, opposed the amendment to the Agricultural Adjustment Act which would place a processing tax on cattle and its products, to be used for the payment of rentals and benefits to feedgrain growers in controlling their output.

THE TEXAS CONVENTION

HOUSTON ON MARCH 12-14 WAS HOST TO THE fifty-ninth annual convention of the Texas and Southwestern Cattle Raisers' Association. A large delegation of stockmen from all sections of Texas, and many from adjoining states, were in attendance.

Response to addresses of welcome by the mayor of Houston and the president of the city's Chamber of Commerce was given by Jay Taylor, of Amarillo. F. E. Mollin, secretary of the American National Live Stock Association, told about the conferences of the Committee of Twenty-five and the Legislative Committee of the national association with administration officials at Washington, and the fight made to stave off the processing tax on cattle. Charles E. Coombes, of Stamford, expounded the ranchman's tax problems, and State Senator T. J. Holbrook, of Galveston, spoke on the state's sales tax. Gerald B. Thorne, agricultural economist of the Agricultural Adjustment Administration, and Harry Petrie, chief of the Cattle and Sheep Division of the AAA, gave their views on the effect of the programs of that governmental agency. Livestock marketing was the subject dealt with in an address by Phil Evans, manager of the Producers' Commission Association at Kansas City. A talk on live-stock sanitary problems was given by Dave Nelson, of Orange. Congressman Richard M. Kleberg, of Kingsville, told the stockmen about pending national legislation, of which he is sponsor, that will correct present inequalities in our fats-and-oils market. He also made reference to direct-marketing legislation and the Agricultural Adjustment Act.

Following is a summary of the resolutions adopted:

Urging members of Texas Legislature to support bill which would increase load limit for trucks to 10,500 pounds;

Urging that proposed amendment to Agricultural Adjustment Act having to do with licenses require that at least 50 per cent of producers must approve before license can be imposed;

Opposing processing tax on cattle to pay benefits to grain-feed growers, as contemplated in amendment to Agricultural Adjustment Act;

Favoring continuation and extension of work for grading and stamping of beef;

Requesting that Tariff Commission notify all interested producers of contemplated hearings having to do with tariff reductions on agricultural products;

Demanding that there be no relaxation of quarantine restrictions against foot-and-mouth disease;

Urging that canned beef be labeled, so that purchasers may determine its source;

Indorsing oleomargarine bills now before Congress, requiring minimum fat content of 80 per cent in all margarine sold, and placing tax of 10 cents a pound on margarine not manufactured 100 per cent from domestic fats and oils;

Urging that, in government appointments of technical advisers for live-stock industry, approval of recognized live-stock associations be required;

Urging removal of present limitation of $50,000 on federal land bank loans, and that federal land banks modify existing regulations to permit making of larger loans upon grazing lands owned in fee simple;

Indorsing work of National Live Stock and Meat Board;

Commending federal and state authorities for their work in rodent control and eradication of predatory animals, and urging continuation of appropriations for this purpose;

Opposing all legislation that would curtail free marketing of live stock;

Expressing gratitude to Senator Connally and Representative Marvin Jones for their service to live-stock industry through the Jones-Connally Act, which made possible drought-relief program;

Expressing appreciation to Farm Credit Administration, Department of Agriculture, and other government agencies for making available funds for feed loans;

Requesting Agricultural Adjustment Administration so to administer crop-control programs that lands taken out of production of other crops may not be used to create excess cattle supplies;

Commending government officers for their efforts in behalf of live-stock industry in emergency drought cattle-purchasing program;

Requesting President and others in authority to make no reduction in tariffs on cattle and cattle products when negotiating trade treaties with other countries;

Opposing various bills before Texas Legislature which would increase railroad operating expenses;

Requesting railroads of Southwest to restore market privilege rules which existed prior to January 25, 1932;

Condemning present weighing rules, and the campaign to have every car of live stock weighed, until railroads have established facilities whereby proper weights may be obtained at destination;

Opposing regulation of interstate highway carriers, except as may be absolutely necessary for public safety;

Urging adequate appropriations for work of Agricultural and Mechanical College of Texas;

Supporting general tax on retail sales of merchandise and believing that such tax should be 2½ per cent, with the provision that corresponding reduction of property tax should follow.

President W. T. Coble, of Amarillo, was re-elected to serve another year. J. Claude McGill, of Alice, was retained as first vice-president, and Joe T. Sneed, Jr., of Amarillo, as second vice-president. E. B. Spiller remains as secretary-manager, Tad Moses as assistant secretary, Dayton Moses as attorney, and W. E. Connell as treasure—all of Fort Worth. Next year the convention goes to Amarillo.

CATTLE- AND WOOL-GROWERS OF NEW MEXICO HOLD JOINT MEETING

ON MARCH 25-27 THE NEW MEXICO CATTLE GROWers' Association and the New Mexico Wool Growers' Association held their twenty-first and thirty-second annual conventions, respectively, at Roswell. A large number of stockmen from all sections of the state were in attendance.

The cattlemen started their sessions on the 25th. After President Lee S. Evans had delievered his annual address, reports of the following committees were made: State Forest Advisory Board—Hugh L. Hodge, Silver City, chairman; Public Land Committee—Oliver M. Lee, Alamogordo, chairman; Transportation Committee—Albert K. Mitchell, Albert, chairman; Tariff Committee—S. W. Land, Glencoe; Legislative Committee—J. V. Taylor, Carrizozo. In the afternoon, C. A. Stewart, deputy commissioner of the Production Credit Corporation, Washington, D. C., spoke on the subject of financing. Other speakers were F. E. Mollin, secretary of the American National Live Stock Association, who gave a general outline of the work of the national association, and A. D. Brownfield, of Florida, who reported on "The Swift Trip."

The joint meeting of the two organizations took place on March 26. J. E. Moore, of Roswell, delivered the address of welcome, to which response was made by A. D. Brownfield. Governor Clyde Tingley followed with an address. "New Adjustments in National-Forest Regulations" was the subject of the next talk, made by Frank G. W. Pooler, regional forester. E. N. Wentworth, director of Armour's Live Stock Bureau, Chicago, told about "Results of Live-Stock Marketing and Future Trends." In the afternoon, F. E. Mollin addressed the two groups, confining his talk to results of the recent conference of the Committee of Twenty-five at Washington. C. M. Botts, president of the New Mexico Conservation League, followed with presentation of a tentative plan for the administration of the Taylor Grazing Act. This draft, which is printed in part in another column of this issue, received the approval of the committee, and will be presented to the De-

partment of the Interior. Following this, A. D. Molohon, of the Department of the Interior, talked to the committee on public-land matters. G. V. Howell, of the Soil Erosion Service, was the next speaker, with "Soil-Erosion Stories" as his subject. State Representative J. V. Taylor told of some of the recently enacted state legislation. Harry Petrie, chief of the Cattle and Sheep Section of the Agricultural Adjustment Administration, reported on the government purchase of cattle and sheep. Stanley Young, chief of the Division of Game Management, wound up the session with a talk concerning the Biological Survey.

The wool-growers' sessions were held on March 27, and opened with the annual address of President Floyd W. Lee, Albuquerque. He was followed by Walter M. Connell, president of the Sheep Sanitary Board of New Mexico, Albuquerque, who outlined the work of that body. Dr. D. L. Schneider, of the Bureau of Animal Industry, Albuquerque, next talked on the "Present Status of Co-operative Sheep-Disease Control Work in New Mexico." Other speakers were G. L. Rogers, who gave an account of a "Swift Trip," and George W. York, Albuquerque, who outlined the plan of the National Wool Marketing Association. Then followed the regular business session.

Resolutions were adopted by the cattle-growers as follows:

Opposing Capper-Hope-Wearin bills, or any similar legislation that would curtail free marketing of live stock;

Urging passage of S. 1617, which provides for extension of time for return of cattle moved to Mexico;

Objecting to restoration to production of cattle purchased by AAA in its cattle-buying program;

Asking for resubmission of proposed marketing agreement heretofore submitted to Secretary of Agriculture and rejected by him;

Demanding retention of present embargo against imports of cattle from countries where foot-and-mouth disease exists;

Favoring tariff of not less than 6 cents on green cattle hides;

Opposing any legislation that would provide specific quota of coconut oil for free importation from Philippine Islands, or which would exempt such oil from domestic taxation;

Urging that containers of canned beef be distinctly labeled to show country of origin;

Opposing legislation that would repeal section 4 of Interstate Commerce Act;

Appreciating work of National Live Stock and Meat Board, and thanking agencies supporting it;

Commending federal and state departments and officials who carried out emergency drought relief program;

Urging change of limit of $50,000 on federal land bank loans, so that loans may be made according to value of security offered; asking that agricultural corporations be allowed rights equal with individuals; and declaring that existing regulations should be modified to permit loans upon grazing lands owned in fee simple;

Opposing any amendment to AAA which would permit pooling of processing taxes for purposes other than payment of benefits to producers of commodity taxed, or which would levy tax on cattle without acceptance by industry of reduction or control program;

Urging Bureau of Agricultural Economics to extend its studies on beef-garding, with view to perfecting uniform system throughout country;

Indorsing Kleberg bills, which would place oleomargarine industry on domestic basis and raise standard of margarine manufacture;

Urging district attorneys diligently to prosecute all offenders in cattle thefts.

The joint convention adopted these resolutions:

Recommending appropriations by Congress of not less than $1,000,000 for fiscal year 1936, and similar sum annually thereafter, for at least ten years, for carrying out work of Bureau of Biological Survey;

Indorsing New Mexico plan for administering Taylor Grazing Act;

Recommending that question of amendments to Taylor Grazing Act be referred to executive committees of New Mexico cattle- and wool-growers' organizations for study and action;

Protesting against policy of Forest Service of helping one man to detriment of another, and demanding consideration of cattle- and sheepmen, situated on national forests, who, through prior occupancy, hard work, and good management, have contributed to development of West.

Lee S. Evans, of Marquez, was elected president for another term. Vice-presidents were chosen as follows: Con W. Jackson, of Las Vegas; J. J. Lane, of Roswell; J. V. Taylor, of Carrizozo, and A. D. Brownfield, of Florida. Bertha Benson continues as secretary. Next year the convention will go to Silver City.

BORDER STOCK RAISERS' RESOLUTIONS

THE FOLLOWING RESOLUTIONS WERE PASSED AT the third annual meeting of the Border Stock Raisers' Protective Association, held at La Pryor, Texas, March 6, 1935:

Requesting Bureau of Agricultural Economics to examine into question of compulsory system of beef-grading and stamping, and endeavor to work out plan for such service.

Opposing all legislation that will curtail free marketing of live stock, such as Capper-Hope-Wearin bills;

Favoring 6-cent tariff on green cattle hides;

Protesting against reduction in tariff on live stock or its products, urging increase in tariff on fats and oils, and opposing importation of foreign meats and meat products;

Opposing any legislation which would lessen competition now afforded by trucks against railroads, and recommending that present load limit of 7,000 pounds be increased to 20,000, or even 30,000, pounds, provided sufficient tire coverage be stipulated;

Approving cattle-purchase program of government in recent drought, and expressing appreciation of services of departments and individuals who carried out plan;

Demanding that officers of law and stock inspectors of Texas strictly enforce state laws governing cattle shipments, calling special attention to truck and slaughter laws;

Indorsing movement now being made to erect fence along Rio Grande for protection against predatory animals and tick fever, and urging building of road along such fence;

Suggesting fifteen days' hunting season—December 17 to December 31—with limit of one buck and two gobblers, and urging universal hunting license;

Urging President not to make reciprocal treaties with foreign countries that would lower tariff on live stock or its products;

Expressing appreciation of services of Col. Ike T. Pryor to cattle industry for many years, and making him honorary vice-president of association for life.

KANSAS ASSOCIATION MEETS

THE TWENTY-SECOND ANNUAL CONVENTION OF the Kansas Live Stock Association was held in Wichita, March 6-8. Outstanding subjects discussed at the various sessions dealt with the Agricultural Adjustment Administration, work of the National Live Stock and Meat Board, price-spread between the live animal and the finished product, and the retail side of marketing costs.

Resolutions were passed as follows:

Commending Secretary of Agriculture Wallace for efforts to promote interests of live-stock industry, and approving his action in not imposing tax on cattle;

Opposing repeal of section 4 of Transportation Act;

Protesting against arbitrary regulation of trucks;

Objecting to reduction in tariffs on live stock and its products, and urging President Roosevelt to increase, rather than decrease, such tariffs;

Favoring lower transportation and marketing costs;

Urging Congress to amend Packers and Stock-Yards Act so as to give Secretary of Agriculture same authority over

direct marketing at concentration points as he now exercises at central markets, and requesting that packers refrain from engaging in business of feeding live stock;

Favoring state sales tax not to exceed 2 per cent, with proportionate lowering of general property tax;

Asking for legislation that, so far as possible, will promote distribution of state funds among banks in localities where funds originate;

Recommending appointment of committee to represent association before State Tax Commission and legislature in all tax matters;

Directing officers of association to take active interest in matters affecting live-stock industry;

Commending Department of Agriculture and state departments for their work in connection with drought emergency program;

Recommending passage of Senate Bill No. 444, known as marketing bill;

Appreciating work of National Live Stock and Meat Board;

Thanking railroads of Southwest for granting reduced rates on feed and live stock to drought-stricken communities during past year.

W. H. Burke, of Little River, was elected president; John W. Briggs, of Protection, first vice-president; C. F. M. Stone, of Whiting, second vice-president; Ward McGinnis, of Eureka, third vice-president; R. J. Laubengayer, of Salina, fourth vice-president. J. H. Mercer, of Topeka, was retained as secretary-treasurer.

SAN LUIS VALLEY ASSOCIATION OPPOSES TAX

AT ITS MEETING IN ALAMOSA, COLORADO, MARCH 16, the San Luis Valley Cattlemen's Association adopted a resolution approving the action of the Committee of Twenty-five in opposing proposed amendments to the Agricultural Adjustment Act. The committee was urged to continue its opposition to a processing tax being levied on cattle or its products, and demand was made that, in the event that such a tax is nevertheless imposed, producers of cattle alone shall reap the benefits.

WESTERN NORTH DAKOTA ASSOCIATION PASSES RESOLUTIONS

ON MARCH 2 THE WESTERN NORTH DAKOTA STOCK Association, at its meeting in Dickinson, adopted the following resolutions on questions before the cattle industry at the present time:

Asking release of those who sold cattle to the government under drought purchase program from terms of contract binding them to such reduction program as Department of Agriculture might demand;

Opposing any program of cattle reduction involving payment of processing tax;

Opposing compulsory licensing of live-stock raisers.

ASSOCIATION OF ROSEBUD PERMITTEES ORGANIZED

A GROUP OF NEBRASKA AND SOUTH DAKOTA stockmen have recently organized an association called the Rosebud Permittees' Association, with headquarters at Rosebud, South Dakota. Thomas F. Arnold, of Nenzel, Nebraska, and John E. Carr, of Rosebud, South Dakota, were named president and secretary, respectively. The new organization has affiliated itself with the American National Live Stock Association.

At a special meeting held March 18, the following resolutions were passed:

Opposing any attempt to levy processing tax on cattle and sheep for any purpose;

Opposing amendments to Agricultural Adjustment Act, now before Congress, for control, either direct or indirect, of production of cattle and sheep;

Recommending that processing-tax measure now before Congress, if not put aside for good, at least be carried over to some future period;

Expressing belief that government could control production of cattle and sheep through contraction or expansion of credit by various government loan agencies, and through handling of permits under Taylor Grazing Act and Forest Service.

PROCESSING TAX OPPOSED BY WICHITA ASSOCIATION

A RESOLUTION TAKING A DEFINITE STAND against the levying of any processing tax on cattle, either direct or indirect, or the placing of any restrictive regulations upon the cattle industry which would interfere with normal production and consumption of cattle or cattle products, was unanimously adopted by the Wichita Cattlemen's Association at a special meeting held in Meers, Oklahoma, March 11.

ANGUS BREEDERS OPPOSE TAX

AMONG THE RESOLUTIONS ADOPTED AT THE ANnual meeting of the Iowa Aberdeen-Angus Association, recently held at Des Moines, was one protesting against the imposition of a processing tax on cattle. In the preamble to the resolution it was emphasized that the present bettered position of the cattle industry has been achieved at great sacrifice on the part of cattlemen, and that any outside interference or control would operate against continued improvement.

NEW MEXICO SUGGESTS GRAZING REGULATIONS

A DRAFT OF REGULATIONS FOR THE ADMINISTRAtion of the Taylor Grazing Act was recently drawn up by the Southwestern Conservation League, with headquarters at Albuquerque, New Mexico, submitted to the joint convention of the New Mexico Cattle and Wool Growers' Association, where it gained approval, and has now been placed before the Secretary of the Interior for his consideration, we learn from an article in the *Roswell Daily Record*. Believing that this tentative draft will be of interest to stockmen in other public-land state, we are summarizing below its main sections:

The plan provides for the setting-up of a state committee on public co-operation, the membership of which would consist of the State Land Commissioner and one representative each from the Department of the Interior, the state Cattle and Wool Growers' Associations, the Game Department, the Game Protective Organization, the University of New Mexico, the New Mexico State College, the Southwestern Conservation League, and the Bureau of Indian Affairs. Provision is made for quarterly meetings and the election of officers for a one-year term.

Each district grazing committee will be made up of seven members, with six of them qualifying as experienced live-stock growers for the seven years preceding their election, and holders of prefential permits in the district. The seventh member must be a resident of the district, and will be a representative of wild-life and recreational resources. Each member of this committee will serve one year.

The proportion of cattle- and sheep-growers serving on the committee will be established by setting up zones. The pro-

portion of cattle zones to sheep zones in the district will represent the approximate porportion of cattle units to sheep units. A cattle unit is defined as one head, and a sheep unit as seven head.

The state committee will have power to remove from office any member of a district committee who is unqualified, or who fails to discharge the duties of his office. Vacancies will be filled by the state committee.

Specifically the district committee will have the following powers, subject to the approval of the Department of the Interior, and the right of appeal:

(A) To determine eligibility of applicant to permit, and extent of use to which he is entitled.

(B) To determine carrying capacity and seasonal use of all or any part of public domain within district.

(C) To recommend to secretary issuance of permit to construct on public lands within district improvements mentioned in section 4 of act, and to appraise reasonable value of improvements to be taken over by applicant from prior applicant, as provided in section 4.

(D) To settle differences relating to use of public domain between users within district.

(E) To determine questions relating to fair range practices, consistent with good range management.

(F) To establish protective, exemption, and maximum live-stock limits.

(G) To consider and recommend to state committee proposals for change in district boundaries, and for withdrawal of isolated tracts from district.

(H) To recommend establishment of suitable and necessary driveways within district.

(I) To report to department any known wilful violations of act or regulations thereunder.

(J) To determine all questions not covered by regulations in accordance with local custom.

The regulations also include certain provisions for the protection of wild life in the grazing districts, and for the co-operation of live-stock men and sportsmen and the State Game Department in the handling of wild life. These also, if approved, will become binding on the administration of the various districts.

GRAZING PERMITS FOR 1935

F. A. SILCOX, CHIEF OF THE FOREST SERVICE, ON March 13 issued the following statement on matters pertaining to the issuance of grazing permits on the national forests for the year 1935. The announcement followed recent conferences with representatives of the American National Live Stock Association and the National Wool Growers' Association, led by their respective secretaries, F. E. Mollin, of Denver, and F. R. Marshall, of Salt Lake City.

"I am keenly interested in and appreciate the situation facing the live-stock industry, which has been so excellently portrayed by the representatives of the two national organizations. In brief but clear statements, these men explained the many problems with which they are confronted, and the urgent need of all public agencies formulating and applying such policies as would better assist the industry further along the path of recovery.

"The stockmen present were unanimous in the opinion that the security of their business depended upon the restoration of ranges adversely affected by drought. They also pointed out that, if these men are to advance along the road of recovery and meet their financial obligations, it is extremely desirable that all uncertainty as to the tenure of permits be removed. It was suggested, therefore, by the representatives of the stock interests that the reissuance of term permits in accordance with the past policy of the Forest Service would be a step in the right direction and accepted by stockmen permittees as a valuable aid. This problem was discussed thoroughly.

"All industries have felt the effects of the depression. Most industries are still in an unsettled state. During the past year the national government has for the first time attempted to place the vast public domain under administration and regulation through the establishment of a Grazing Administration in the Interior Department. Some action of the kind was necessary both in the interest of the live-stock industry and to save the public range from destruction by misuse. The Department of Agriculture has also been extending every effort to stabilize this industry and assist it through the period of drought and depression. Proper integration of policies between the two departments appears desirable before long-time contractual obligations can be made by the Forest Service. For this and other impelling reasons, it is my judgment that only annual permits should be issued for the season of 1935 for grazing on the national forests.

"Another question which was emphasized by representatives of the live-stock industry was the need of federal agencies co-ordinating their policies so that the credit structure of the live-stock industry would be properly safeguarded. I have assured the stockmen of my interest in the development of a policy which would protect all interests. I am hopeful that this can be effected through conferences among interested agencies.

"Since term permits expired in 1934, and under existing rules and regulations the Forest Service is obligated to review the question of distribution of grazing privileges, the stockmen naturally have felt considerable alarm as to any action of the Forest Service which might curtail the privileges of present users. The Forest Service is obligated to make the use of national-forest ranges contribute to the greatest possible extent to the permanence, maintenance, and welfare of local communities. It is a very large and difficult social and economic problem. It involves all the various factors of proper land-use planning, based upon a comprehensive knowledge of the adaptability of soils to crops, marketing conditions, and the various problems of successful farm management. In view of this fact, it is my hope that the Department of Agriculture will find it possible to initiate an intensive economic survey of these various local communities dependent on national forests and public domain. This survey should determine such economic limits as conditions in each locality justify, and furnish a sounder basis on which, in the future, to approve applications. Pending this survey, however, the Forest Service feels it can proceed to take care of those applicants who, by the location and character of their ranch property, are dependent upon the national forests for a reasonable amount of range, without in any way interfering with the application of the results of the broad survey recommended."

REPORT OF FOREST SERVICE

HOW TO DEVELOP THE "HUGE WORK RESERVOIR" composed of the forest or potential forest land of the United States is outlined in the report of F. A. Silcox, chief of the Forest Service, for the fiscal year ended June 30, 1934. When it is realized that this land makes up one-third of the entire area of the country, and that nearly three-fourths of it is in private ownership, the magnitude of the task becomes apparent. To accomplish it, a long-time national planning program is needed, keeping the lands productive, and managing the forest resources as crops rather than as mines. Only in this way can our forests be made to support their fair share of the nation's population.

During the fiscal year, supervision of constructive projects for forest protection through the Emergency Conservation Work was given to the Forest Service, involving improvement of existing timber stands, re-establishment of forest cover, diminution of forest destruction by insects and diseases, reduction of fire risks, control of soil erosion, and creation of more favorable conditions for wild animals. On the national forests alone, more than 26,000,000 man-days of work were provided.

Mention is made of the plans for a gigantic shelter-belt 1,000 miles long and 100 miles wide, to reach from the Dakotas to Texas, which project has likewise been intrusted to the Forest Service. The belt, on which THE PRODUCER has previously commented, is designed to help protect the practically treeless agricultural lands of the Plains region against such disastrous windstorms as have lately visited that area, carrying away the top soil and ruining the fertility of hundreds of farms. Research work is now going on, but actual tree-planting has barely started.

The net area of national forests on June 30, 1934, was 162,871,807 acres. During the year 581,979 acres were added.

More than 25,000,000 acres of state and private lands are located inside the forests, of which more than one-half, in the opinion of Mr. Silcox, should be managed in common with the public properties, through exchange or purchase.

During the *calendar* year 1933 there were a total of 6,315 fires on the forests. Of these, 2,307 were caused by lightning and 1,809 by smokers. An area of 132,147 acres was burned over. In 1932 the figures were 7,037 fires and 372,973 acres burned. The number and destructiveness of forest fires in the drought summer of 1934, not reported on in detail, were the heaviest since organized protection began. Largely because of the Civilian Conservation Corps crews, the losses, however, were kept within bounds. In 1933, 69,215 acres were planted on national forests.

The *fiscal* year 1933-34 was one of subnormal moisture conditions and forage production on the national forests, the average deficiency being about 30 per cent. The full effect of the drought, however, did not become apparent until the summer of 1934, and the downward revision in grazing-capacity figures made necessary by this condition is not made apparent in the statistics of stock allowed on the forests in 1933. In that calendar year, 19,863 permits were issued for cattle and horses, and 5,994 for sheep and goats. In 1932 the respective figures were 20,075 and 6,157. Number of cattle grazed in 1933 was 1,366,538, compared with 1,361,160 the year before; of sheep, 6,150,921, compared with 6,308,500.

During the *fiscal* year 1933 the following improvements were constructed (1932 figures in parentheses): fences, miles, 615 (388); corrals, number, 34 (18); driveways, miles, 79 (37); bridges, number, 5 (3); water developments, number, 516 (567). Miles of roads constructed totaled 12,530; miles of trails, 2,525. Miles of roads maintained aggregated 51,725; of trails, 131,382.

Operating expenditures for timber use on national forests in 1933-34 were $430,420; for grazing use, $570,992; for recreation and land use, $238,150; for fish and game protection, $109,982. Receipts were: from the use of timber, $1,522,356; from the use of forage, $1,358,688; from special land uses, water power, and miscellaneous, $433,647. Gross receipts from all services were greater by $688,642 than in 1932-33. However, grazing receipts decreased by $139,521.

BUSINESS CONDITIONS

IN CONTRAST TO ITS RAPID GROWTH IN DECEMBER and January, industrial production in February increased by less than the usual seasonal amount, we learn from the *Monthly Review* issued by the Federal Reserve Bank of Kansas City. Wholesale prices of many leading commodities showed little change in February, and declined in the early part of March. Live-stock and meat prices, however, advanced further in February, and continued at relatively high levels during the first three weeks of March.

Steel-mill activity increased in the early part of February, but declined, contrary to seasonal tendency, later on in that month and in the first three weeks of March. Automobile production continued to increase, and the output indicated for the first quarter is larger than for the corresponding period of any other year since 1929. Lumber and textiles declined somewhat in February. Factory employment and pay-rolls increased more than the usual seasonal amount. Value of contracts awarded for residential building during the period from January 1 to March 15 showed a slight advance over the low level of a year ago. Car-loading showed a seasonal increase in February and little change in the first half of March.

BEEF-GRADING AND BEEF PRICES

IN THE MARCH ISSUE OF THE "CONSUMERS' Guide" appears an article entitled "You Know What You Get When You Buy U. S. Graded Beef." Many salient facts concerning the present meat-retailing situation are detailed.

"Consumers always need some yardstick for measuring the quality of beef they buy," we read, "not only to purchase wisely, but to guide them in preparing meat at home to get the greatest possible satisfaction and value from their purchases. This need is greater when prices are up than when they are down. Government-graded beef can give you that yardstick of quality. Your butcher can and will provide U. S. graded beef, if you ask for it.

"Graded meat should not be any more expensive than ungraded meat of the same quality. It usually costs the wholesaler less than 4 cents to have an entire beef graded and stamped. The consumer's share of that, on an average purchase, would be too small to compute. Your butcher can get U. S. graded meat simply by asking his wholesaler to supply him with it."

The article also reminds the many readers of the *Consumers' Guide* that the present price of beef, although it has jumped somewhat recently, is not out of line with other commodity prices:

"Bargains, like happy days, have a way of lingering fondly in consumers' memories. When you go to market today and find beef selling at 37 cents a pound for sirloin or 27 cents for rib roast, you probably do not have to be reminded of the days when you could get this meat for 8 to 10 cents less a pound. You may have to be reminded, though, that for years you paid much higher prices for this meat than those charged today, and probably thought little about them. The average price of a pound of sirloin, which dropped to 29 cents in 1933, was 50 cents in 1929. Plate beef, sold at an average of 10 cents in 1933, cost 21 cents in 1929. You would have to go back to 1916 to find a price for sirloin steak as cheap as 1933's, or back to 1913 to find plate beef as cheap as in 1933.

"Depression gave beef-eaters bargain prices for three years, but, as in the case of most bargains, consumers' gain was someone else's loss. Cattle farmers took the loss. Had they been asked to take it much longer, many of them would have been forced out of the business of providing us with steaks, and supplies might have been reduced—although more gradually—as the drought reduced them quickly."

FEDERAL FEED AGENCY RESUMES SERVICE

THE FEDERAL LIVE-STOCK FEED AGENCY, LOCATED at 755 Live Stock Exchange Building, Kansas City, Missouri, will resume its service to stockmen who are in need of pasturage and to owners of pastures who desire to lease. Persons having grazing land to lease, and stockmen looking for pastures, should communicate with the agency.

THE CALENDAR

May 20-21, 1935—Annual Convention of Western North Dakota Stockmen's Association, Dickinson, N. D.

May 23-25, 1935—Annual Convention of Montana Stock Growers' Association, Great Falls, Mont.

May 28-29, 1935—Annual Convention of Washington Cattle and Horse Raisers' Association, Dayton, Wash.

May 31-June 1, 1935—Annual Convention of Cattle and Horse Raisers' Association of Oregon, Enterprise, Ore.

June 3-4, 1935—Annual Convention of Idaho Cattle and Horse Growers' Association, Pocatello, Ida.

June 10-11, 1935—Annual Convention of Western South Dakota Stock Growers' Association, Belle Fourche, S. D.

June 13-15, 1935—Annual Convention of Nebraska Stock Growers' Association, Alliance, Neb.

June 18-19, 1935—Annual Convention of Wyoming Stock Growers' Association, Cody, Wyo.

June 24-25, 1935—Annual Convention of Colorado Stock Growers' and Feeders' Association, Steamboat Springs, Colo.

AMERICAN CATTLE PRODUCER

PUBLISHED MONTHLY
IN THE INTEREST OF THE
LIVE STOCK INDUSTRY OF THE UNITED STATES
BY THE
AMERICAN NATIONAL LIVE STOCK ASSOCIATION
PUBLISHING COMPANY

Subscription: One Year, $1; Three Years, $2.75; Six Years, $5
Advertising Rates on Request

515 COOPER BUILDING, DENVER, COLORADO

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Volume XVI APRIL, 1935 Number 11

THE NATIONAL AGRICULTURAL CONFERENCE

WHEN THE ILL-FATED PLAN OF PLACING a processing tax on cattle to pay benefits to the producers of corn, barley, and grain sorghums was presented to the House and Senate Committees on Agriculture by Chester C. Davis, administrator of the Agricultural Adjustment Act, and Earl Smith, president of the Illinois Farm Bureau, great stress was put on the fact that it had the indorsement of the National Agricultural Conference.

It seems well to inquire what this conference is, and by what right it attempts to speak (as its title would imply) for the whole agricultural industry. That is taking in a lot of territory, as anyone who has traveled extensively in this country knows.

It appears that its recent meeting was attended by representatives of the National Grange, the National Co-operative Council, the National Association of Agricultural Editors, the Farmers' National Grain Corporation, and the American Farm Bureau Federation. The western cattle and sheep industries were not represented, and the same is true of many other branches of American agriculture.

Each delegate had certain pet theories which he wished indorsed—a sort of a "you scratch my back, and I'll scratch yours" affair. Thus a great many subjects were acted upon in such general terms that the weighty outpourings of that distinguished gathering could be considered as indorsing everything under the sun, from better housing conditions for the Eskimos to shorter coconut trees for the South Sea islanders to climb, without binding any of the individual participants definitely to any single recommendation.

For instance, the indorsement of the processing-tax plan, referred to above, is contained in the following language:

> To remove present requirements to pay benefit payments to producers of any basic commodity upon which processing taxes are levied.

Another example is the language relating to amendments to the Packers and Stock-Yards Act:

> To favor amendments . . . to make possible the regulation of packers, as was intended by farm organizations when they originally supported the act.

This is already being used in support of the Capper bill, which is designed to restrict direct marketing—a purpose never intended in the original act.

No small group of farm representatives, agricultural editors, and lobbyists can get together in Washington and claim authority to speak for American agriculture. There are a few commodity organizations which reserve the right to speak for themselves, and to do it in no uncertain terms. Recent developments, in which some general organizations were easily led into supporting unsound measures of only sectional interest, would indicate that the position of commodity groups in fighting their own battles in the interest of every section of the country producing that commodity is now more secure than ever.

RUMP SESSION OF COMMITTEE OF TWENTY-FIVE

IN THE MARCH "AMERICAN CATTLE PRODUCER" are chronicled the results of the meeting of the cattle Committee of Twenty-five held in Washington, D. C., on February 27 and 28. The article records the fact that, after full discussion of the plan advanced for placing a processing tax on cattle, sheep, and butter-fat, in order to reduce the present processing tax on hogs, and at the same time pay benefits to the growers of corn, barley, and grain sorghums, and before there was much opportunity for pressure to be brought to bear on individual

members, the committee rejected this plan by a vote of twelve to ten. The plan had been explained to members of the committee by Secretary Wallace, Administrator Davis, and Clifford Gregory, editor of the *Prairie Farmer*, and debated at length, not only in the sessions of the Legislative Committee, but for an entire day by the full committee. After the meeting had adjourned, and there was time to reflect upon the proceeding, there was a good deal of resentment expressed by practically every member over the fact that the committee had been called together, not to exercise its main function as a program-planning body, but, instead, to rubber-stamp and indorse a plan which had not even originated in the Agricultural Adjustment Administration, but was drafted by the Farm Bureau-Corn Belt crowd, headed by Earl Smith, president of the Illinois Farm Bureau, and Clifford Gregory, referred to above.

There can be no question as to the origin of this preposterous plan. Repeated statements have been made recently by Administrator Davis and other officials of the AAA that there was no cattle program under contemplation. In his speech to the Farm Bureau at Nashville, Tennessee, on December 11, Mr. Davis declared:

> Naturally, with more than 8,000,000 head of cattle, which would have starved, already bought and slaughtered under the plan, it would appear to anyone that no control program will be offered before June 1, 1936.

He sent direct word to the convention of the American National Live Stock Association, held at Rapid City, South Dakota, in January, that no processing tax on cattle was now contemplated. In a letter written by him on February 1 to Secretary Mollin, he stated that there was no immediate plan of calling a meeting of the Committee of Twenty-five, but that later in the year its members might be brought together to consider whether it was advisable to try to work out a cattle-control program.

However, in spite of the above facts, and notwithstanding the feeling that the meeting of the committee had not been handled in the same good faith that was apparent during all the negotiations last year, there was no disposition on the part of its members to make an issue of the matter. Instead, it preferred to continue in the spirit of helpful co-operation which has dominated it from the beginning.

To its own amazement, however, before half of the committee had got out of town, a series of private negotiations were started by department officials, calling in picked members to see if further consideration could not be given this Corn Belt plan; carefully ignoring President Collins and others who had been outspoken in their criticism of any plan which sought to tax the cattle industry for the benefit of other industries.

The first meeting adjourned on Thursday, February 28. The conferences referred to were started Saturday morning, and continued throughout the day, until finally in the evening telegrams were dispatched to all the members of the committee who had gone home, with one exception, calling them back for a second meeting. President Collins was in the Raleigh Hotel all day Saturday, until about five o'clock. He saw Dr. Black, head of the Live Stock Division of the AAA, and R. C. McChord, acting chief of the Cattle and Sheep Section, just as he was leaving for the airport; and, although there can be no denial that the plan to recall the committee was already under consideration, not a word was said to him, and no official notice was sent to him by wire, of the second meeting, which was called for March 5 and 6. He was deliberately slighted by AAA officials during the conferences held on March 2, and was the only member of the Committee of Twenty-five not invited to return.

The second session, which was held on March 5 and 6, was an absolute waste of time and money. It accomplished nothing, because the representatives of the American National Live Stock Association informed the department that, if any attempt were made to force the committee to reverse its well-considered action on the Corn Belt plan, the whole story would be told to the Senate Finance Committee. Also a sharp telegram was sent by President Collins (who had been notified of the proceeding by Secretary Mollin) to Chester Davis, stating that he would return to Washington and oppose the whole scheme before the Senate Finance Committee if any attempt were made to reverse the action of the committee. After two days' futile debate, and after all sorts of pressure had been put upon individual members of the committee by officials of the department, a harmless, meaningless resolution was adopted, as follows:

> We, the members of the Committee of Twenty-five, reassembled for further discussion of the reduction control program, recommend that further consideration and study be given this matter by the regional consultants to be appointed by this group.

The vote was twelve to seven, with all western representatives registering their protest against the whole proceeding by voting "no." In this vote, Messrs. Brock, Abbott, Delaney, Russell, and Ross, of the American National Live Stock Association, were joined by Mount, of Tennessee, and Horn, dairyman from western Nebraska. Both these men stood side by side with the western cattlemen throughout the two sessions of the committee. In addition to President Collins, Mercer, of Kansas, and Briscoe, of Texas, were not represented in the rump session, while Jamison, of Oregon, was obliged to return home before the vote was taken.

It is well to examine for a moment just what the proposed plan amounts to in relation to the cattle industry. It is no more nor less than an attempt to lift $25,000,000 from it, to be paid out in benefits to hog-growers, corn-growers, and the growers of the other grain crops specified. The theory is that in this manner live-stock production would be decreased, and the cattle industry would indirectly benefit.

There is no occasion for further reducing cattle production at this time, with rapidly increasing imports of Canadian and Mexican cattle. So far as hogs are concerned, the 1935 program is nothing but a direct dole, because the shortage of grain in the Corn Belt, and its high price, will make impossible the production of a normal hog crop in 1935, to say nothing of a surplus. The plan would, therefore, result in a tax on cattle, not to reduce production, but to pay a dole to the corn-hog grower. The truth is that the Corn Belt is getting restive under the $2.25 hog tax which it imposed upon itself. No doubt the originators of the plan, looking at the matter from a purely local and selfish viewpoint, may properly be excused for the effort made. As Ed O'Neal, president of the American Farm Bureau Federation, aptly put it: "We got you into this thing; now we are going to brand you." But no such excuse can be found for the high officials of the Department of Agriculture and the Agricultural Adjustment Administration, who meekly accepted it, and recommended it to the Committees on Agriculture of both the Senate and the House. They are supposed to be concerned with the welfare of the entire agricultural industry, and not alone that of the Corn Belt.

The whole proceeding was a sorry one from start to finish. It can have only one result, and that is to shake the confidence of the western live-stock industry in the leadership of the Agricultural Adjustment Administration. The cattle advisory committee should be used to consider and initiate programs, if such are needed, and not be pressed into adopting a plan initiated either by the department itself or by some outside group.

There will be those who will say that the American National Live Stock Association has opposed consideration of any program; but such a statement would be a deliberate falsehood. One has only to go back to the Albuquerque meeting a year ago to learn that it was President Collins himself who, by adroit handling of the convention, left open a way for consideration of a cattle program, if needed. Again at the Chicago meeting in April, 1934, it was President Collins who saved the day for the AAA. To say the least, he is now given a shabby return for his efforts.

The cattle industry insists upon having a voice in any program which affects it. It has the leadership to work out its own problems. When other groups suddenly get solicitous of your welfare, the question readily arises as to whether they are trying to do something *for* you or *to* you. No farm leader, good politician though he may be, has branded the cattlemen yet. We venture to predict that Congress will not lend itself to any such discriminatory plan.

"BENEFIT" PAYMENTS UNDER DROUGHT CATTLE-PURCHASE PROGRAM

THERE HAS BEEN MUCH DISCUSSION OF the contract which all who participated in the drought cattle-purchase program were obliged to sign. It will be recalled that payments were divided between "benefits" and the regular purchase price, and that the signer obligated himself to co-operate in any program which might later be adopted.

It has recently been announced by Chester C. Davis, administrator of the Agricultural Adjustment Act, that this latter provision will be ineffective if no program is initiated prior to June 1, 1936, and that, with 8,000,000 cattle bought and slaughtered, "it would appear to anyone that no control program will be offered before" that date.

This is reassuring. Many stockmen, however, are inquiring whether there is to be a processing tax to repay the benefit payment. Some, appreciative of the help rendered at a critical time, are quite willing to refund the amount thus advanced. Others, no doubt, feel that the total paid was no more than a fair price. Be that as it may, there seems no legal method by which a processing tax can be imposed for this purpose, until such time as a program may be accepted and benefit payments made available to every cattle-producer. (The drought cattle benefits were available only to cattlemen in parts of twenty-four states.) Without question, then, the advances made in the drought cattle-purchasing program could be deducted.

In the meantime, with no program contemplated, it would seem that the matter might well be dismissed from mind, and our worries confined to more pressing problems, as, for instance, why it does not rain.

Hungarian Farm Relief

Government aid rendered Hungarian farmers of wheat and rye, and their mixtures, through the arrangement known as the grain-ticket system, was suspended in June, 1934, after almost four years of operation. To replace this system—payment of bounty to producer, and levying of processing tax on the miller—the government has established minimum prices on grains produced.

BROADER SUPPORT FOR THE AMERICAN NATIONAL

DURING THE PAST TWO YEARS THERE has been a sharp increase in the number of individuals who have joined the American National Live Stock Association directly, and also in the number of organizations affiliated with it. During that period about forty local and regional livestock organizations have "joined up." This is the time of the year when a call is made for the payment of dues to support the 1935 program, and already the return is very encouraging. Many stockmen are taking it upon themselves to solicit new members, and organizations which have not in the past taken an active part in a national program are writing in for information as to the steps necessary to become a full-fledged member.

The increased program of the association during the past two years makes broader support essential, and insures value received for the money spent. In times past the association has struggled along, underfinanced, with a few loyal men carrying more than their share of the load, but with the results obtained going to the benefit of the entire industry. It is only fair and proper, therefore, that all those who benefit should pay their just share. With the constant need for watchfulness as to what is going on in Washington, no forward-looking stockman can afford to neglect the opportunity to support the American National Live Stock Association, and it is his responsibility to see that all the cattle organizations in the West affiliate with it.

PRODUCTION COSTS OF FIELD CROPS

THE AVERAGE COST OF PRODUCING THE 1933 CORN crop, including land rent, was 57 cents a bushel, we learn from a recent issue of *Crops and Markets*, published by the Department of Agriculture. Wheat cost an average of 95 cents a bushel; oats, 47 cents a bushel; and cotton, 9 cents a pound of lint.

The figures include charges for labor of the farmer and his family, and a charge for the use of his land on a cash rental basis. Since it is generally understood that out-of-pocket costs are less than costs arrived at here, a distinction between the two cost bases is essential to an understanding of the reason why a farmer may continue to produce for many years when costs as here computed are higher than prices he receives for his product.

The average cost of producing an acre of corn in the United States was $13.03 with rent included, and $9.50 with rent excluded. Of the total gross cost per acre, labor and power made up about 50 per cent; fertilizers and seed, 9 per cent; land rent, 25 per cent; and miscellaneous items, 16 per cent.

Wheat costs, including rent, averaged for all states $10.40 an acre. Labor and power made up 39 per cent; fertilizers and seed, 10 per cent; land rent, 27 per cent; and miscellaneous items, 24 per cent.

Oats costs averaged $9.27 an acre including rent, and $6.04 excluding rent. Rent constituted about 32 per cent of the total gross cost; labor and power, 42 per cent; fertilizers and seed, 8 per cent; and miscellaneous items, 18 per cent.

Cotton costs averaged $19.58 an acre, of which $3.97 was for land rent. Labor and power constituted about 54 per cent of the total gross cost per acre; fertilizers and seed, 7 per cent; ginning, 9 per cent; land rent, 18 per cent; and miscellaneous items, 12 per cent.

HORSE-BREEDING ON INCREASE

A REVIVAL OF INTEREST IN THE BREEDING OF horses and mules for farm use is shown in a report prepared by S. R. Speelman, of the Bureau of Animal Industry. The report, entitled "Stallion Enrollment and the Horse-Breeding Situation," covers the years 1932-34, and shows that during this period, for the first time in many years, the number of stallions and jacks licensed for public service took an upward turn. The increase, however, has not yet offset losses during former years.

Increases in enrollment of both stallions and jacks were noticeable in 1933, and were still greater in 1934, with interest centered on the work-stock types. However, greater proportionate gains were made in the numbers of grade and other less desirable stallions and jacks than in the purebred-sire classes. This situation is attributed largely to the scarcity of good, young, purebred stallions and jacks, and to a lack of funds for purchasing high-quality animals. The inability of mare-owners to pay the necessary service charges for the use of purebred sires is also mentioned as a contributing factor.

On January 1, 1935, the number of horses on farms in the United States was 11,827,000. This was a decrease of 136,000, or about 1 per cent, from the number on farms at the same time the previous year, and was the smallest decrease in any one year since the number of horses began to decline in 1918. The number of mules on farms January 1, 1935, was estimated at 4,795,000 head. This was a decrease of 130,000, or about 3 per cent, from January 1, 1934.

Despite the losses in total numbers of horses and mules, and although it appears that the number of animals of working age may continue to decline for at least a few years to come, there has been a marked revival of interest in breeding, caused by the scarcity of, and rising prices for, work stock. Farmers and breeders who were decidedly indifferent toward horse and mule production in the period 1920-30 are now alert to the impending shortage and to increased values of both horses and mules. This interest is reflected in the larger colt crops raised in 1932, 1933, and 1934.

The future development of the horse and mule industry will be controlled chiefly by relative prices of other live stock and farm commodities, the use of mechanical and other power, and trends of agricultural adjustment. From present indications, it seems probable that prices for work horses and mules will continue to rise. There are many farmers, Mr. Speelman points out, who usually have an abundance of rather low-priced feed, and who are in position to raise economically a few colts for replacement purposes and for sale. Such farmers, he suggests, should seriously consider the advisability of raising colts at this time. Sound, young mares should form the basis for such breeding work.

"I find that I cannot get along without THE PRODUCER."
—JOE ALAMEDA, Walcott, Wyo.

WHAT THE GOVERNMENT IS DOING

AT WASHINGTON

THE PROPOSED ADMINISTRATION AMENDMENTS to the Agricultural Adjustment Act are still under consideration by the agricultural committees of the two houses. Among other things, the amendments would place a processing tax on cattle for the benefit of feed-grain growers, and would provide broader licensing powers. The House committee has recently expressed disapproval of the former provision, and it is believed that opposition to the licensing feature is growing. F. E. Mollin, secretary of the American National Live Stock Association, who was spokesman for the Legislative Committee of that organization in its recent protest against a processing tax on cattle, is now in Washington in the interest of the western live-stock industry.

* * *

Among the new bills introduced in Congress is H. R. 6716, which provides for the regular annual appropriation for the Department of Agriculture and the Farm Credit Administration. The bill, now in the Senate Appropriations Committee, sets aside something over $125,000,000 for the use of the various agencies of these departments, among which are the Forest Service, the Agricultural Extension Service, the Bureaus of Animal, Dairy, and Plant Industry, the Bureau of Public Roads, and the Weather Bureau.

* * *

A third part of the huge $4,880,000,000 work-relief bill, recently passed by Congress and now awaiting the President's signature, is scheduled for expenditure to improve use of land resources. About $500,000,000 will go for rural relief and rehabilitation, $350,000,000 for reforestation, flood control, and erosion control, $100,000,000 for rural electrification, and $600,000,000 for the Civilian Conservation Corps. These expenditures, except the one for the CCC, will come under the direction of Undersecretary of Agriculture Rexford G. Tugwell.

* * *

The National Recovery Act extension bill, S. 2445, which would give the NRA two more years of existence, has been introduced, and now reposes in the Senate Finance Committee. Eventual passage of the measure seems certain.

INTEREST RATES LOWERED ON LAND BANK LOANS

W. I. MYERS, GOVERNOR OF THE FARM CREDIT Administration, has announced that, effective April 1, 1935, new loans made by the federal land banks will bear 4½ per cent interest per annum where made through national farm loan associations, and 5 per cent where made directly by the banker.

Governor Myers pointed out that these are the lowest rates at which the federal land banks have ever made loans. For about two years the banks have been making loans through national farm loan associations at 5 per cent, with a temporary reduction to 4½ per cent until July 12, 1938, as provided by the Emergency Farm Mortgage Act of 1933. After July 12, 1938, these loans will bear interest at the rate of 5 per cent, while the 4½ per cent rate on new loans will be effective for the entire period of the loans, which will be made on an amortization basis, ranging from twenty to thirty odd years, as in the past.

The interest-rate reduction on new federal land bank loans will not affect the 5 per cent interest rate on Land Bank Commissioner loans, which are made on either first- or second-mortgage security in amounts up to 75 per cent of the appraised normal value of the farm property.

SPRING-WHEAT RESTRICTIONS REMOVED

IN VIEW OF THE DANGER OF A POSSIBLE SHORTAGE arising from the continued drought in a wide strip of territory east of the Rockies, Secretary of Agriculture Wallace last month removed all restrictions on spring-wheat plantings in 1935. The authorization is conditioned upon agreement by signers of the production-control program to offset the increase in this year's wheat crop by a corresponding curtailment in 1936. Benefit payments to producers participating in the plan will not be affected. It is estimated that the 900,000 to 2,300,000 acres which the modification is expected to add to the 17,847,000 acres which farmers have reported their intention to plant will result in an increase of 10,000,000 to 30,000,000 bushels. Last year 91,435,000 bushels of spring wheat were harvested from 9,290,000 acres.

Intention to plant corn this spring on an area of 95,692,000 acres has been declared by the nation's corn-growers. Last year 87,486,000 acres were harvested, producing 1,380,718,000 bushels—the smallest crop since 1881. In 1933, 2,351,658,000 bushels were reaped from 103,260,000 acres.

MEMBERS OF LEGISLATIVE COMMITTEE TESTIFY ON TAX

TESTIMONY IN OPPOSITION TO THE LEVYING OF A processing tax on cattle for the purpose of financing a program for controlling production of feed grain was offered last month before the Committee on Agriculture and Forestry of the Senate by Hubbard Russell, of California, and C. J. Abbott, of Nebraska, members of the Legislative Committee of the American National Live Stock Association.

Mr. Russell's testimony follows:

"The members of the Legislative Committee have made a careful study of S. 1807, and have also given careful consideration to the committee print amendment, which is to be introduced before your committee. We are advised that the National Agricultural Conference, whose membership is composed of two national farm organizations, the National Institute of Co-operatives, and the National Institute of Agricultural Editors, is supporting the amendments to which I refer. I wish to state that the National Agricultural Conference has denied membership to the American National Live Stock Association, as well as to the National Wool Growers' Association. Just why the National Agricultural Conference accepts as members agricultural editors, while it excludes certain national live-stock organizations, I do not know, but I submit that matter for the consideration of your committee.

"Referring specifically to S. 1807, I call your attention to subdivision (2), beginning on line 6 of page 2. It would seem only fair that the acquisition of any agricultural commodity should be financed by taxes imposed upon that particular commodity, rather than to have all moneys derived from processing taxes on all basic live-stock and feed commodities pooled and expended in any way that the Secretary of Agriculture sees fit. In other words, referring to the proposal of placing a processing tax upon cattle, the proceeds of which need not be paid back to the producers thereof in benefit payments or expansion of domestic and foreign market outlets, but which may be used for the urposes of paying benefits to producers of grain and feed crops, we wish to register our opposition. We have been assured in the past that, even though cattle had been made a basic commodity, no cattle program would be undertaken without the approval of a substantial majority of the industry, and you will recall that the amendment to the Agricultural Adjustment Act, making cattle a basic commodity, was carried in the Senate by a majority of only one vote.

"Chester Davis testified that it is possible, under the present act, to use money raised by taxes upon one commodity for the purpose of paying benefits upon other commodities, the only requirement being that a program must be in operation with reference to a given commodity before a tax can be levied. I assume that he referred to the general provisions on page 18-B of the compilation of the Agricultural Adjustment Act as amended, in which the proceeds derived from all taxes are appropriated to be available to the secretary.

"I call your attention, however, to the language on pages 12 and 13 of the compilation, section 9 (a) and (b), in which the method of providing for rental or benefit payments in processing taxes in connection therewith is set forth. It states clearly that, whenever rental or benefit payments are to be made with respect to any basic agricultural commodity, the secretary shall proclaim such determination, and a processing tax shall be in effect. Later it states that 'the rate of tax shall conform to the requirements of subsection (b).' Subsection (b), at the top of page 13 reads:

" 'The processing tax shall be at such rate as equals the difference between the current average farm price for the commodity and the fair exchange value of the commodity.'

"We think the spirit and intent of the present act is that the moneys raised from the processing tax on any given commodity shall be paid to the producers of that commodity, less the necessary administrative expenses. I am sure that the great majority of cattle-producers in the states represented by the American National Live Stock Association accepted the Jones-Connally amendment on that basis. However, I do not feel that they would object to the expenditure of moneys raised by a processing tax on their cattle so long as those moneys were expended for the purpose of benefiting the cattle industry, such as in expanding domestic and export markets, or controlling production, if necessary.

"Referring to Section 3 of S. 1807, beginning on page 2, our committee has suggested that before licenses are issued, as provided for in this section, there should be the approval of at least 50 per cent of the producers (by number or by volume) of the commodity involved in any marketing plan or marketing agreement under consideration. This would be a reassuring check upon forced control of any industry, and would tend to bring the producers and the processors into closer co-operation with each other. We do not believe that any agricultural commodity group would profit by the imposition of a license upon processors, none of whom were willing to be licensed. But we do believe that, if given the opportunity, the producers and the processors in any given industry should be able to work out marketing agreements and programs that will be to their mutual benefit, such as lessening the spread between the producer and the consumer, and stabilizing prices at parity, which is the main objective of the AAA.

"Referring to section 5, paragraph 6, beginning at the top of page 8, we feel that the provision calling for approval by at least two-thirds of the producers would practically eliminate the possibility of ever securing any live-stock marketing agreement, with quota or allotment provisions which would be national in scope, because it would be impossible to secure approval of two-thirds of the producers of live stock without first having demonstrated by actual practice the benefits to be gained by such a plan. It would be possible, under paragraph 2 of section 8 of the present law, to enter into such marketing agreements without provisions for establishing quotas or allotments.

"In the summer of 1933, before cattle became a basic commodity, our committee was advised by an official of the AAA that betterment could be secured through the adoption of a processors' market agreement. Following this advice, our committee held many conferences with the officials of the AAA and the processors' committee, and eventually worked out a marketing agreement which our committee and the processors' committee were willing to accept. The Department of Agriculture, however, was unwilling to go ahead with the plan. Our committee still favors such a plan, and the cattle Committee of Twenty-five voted unanimously for such a plan at a conference called by Chester Davis on February 28, 1935.

"If a tax were placed upon cattle for the good of all, we contend that shifts in the production of corn and feed crops would be so extensive as to break down the successful operation of the plan submitted by the AAA and Earl Smith, manager of the Illinois Agricultural Association, and considered by us. Furthermore, the difference in production periods of grain and feed crops, and hogs and sheep, as compared with cattle, would make it impossible for the cattlemen successfully to fit into the program. If decreasing the corn production would raise the price of corn, thereby reducing the demand for feeder cattle, it would seem that a surplus of feeder cattle and sheep would soon result, unless there was some way provided for reducing or holding in check the production of feeder cattle and sheep. Thus the producers of cattle and sheep would soon find themselves with a surplus for which they had no demand, even though the hog- and corn-producers might be enjoying a very satisfactory situation, and a possible profitable expansion of their end of the live-stock program, to the detriment of the cattle- and sheep-producers. In such a case, the only method that cattle- and sheep-producers could use, for the purpose of finishing their surplus live stock for slaughter, would be to bring into production of corn, grain, and other fattening feeds, which might or might not be basic commodities, the hundreds of thousands of acres of so-called

marginal lands, and possibly materially increase their supply of grass-finished slaughter cattle, thereby competing to such an extent as materially to nullify any gain that may have been predicted under a corn production control program.

"I call your attention to the fact that the beef-cattle industry is now, and has been except during the war period, on an import rather than an export basis, whereas the hog industry has until recently been on an export basis. The corn-hog industry asked for the Corn-Hog Plan, which the cattle and sheep industry did not oppose. I hand you, for your consideration, a table showing the exports and imports of cattle and beef—canned, fresh, frozen, and cured—for the fiscal years 1890 to 1934, inclusive, to verify this contention.

"Ever since 1910 our imports have averaged from 100,000 to 500,000 cattle annually, with rather substantial imports of canned beef and small amounts of fresh, frozen, and cured beef. The year immediately following the passage of the Smoot-Hawley tariff bill, our canned beef imports dropped to 16,000,000 pounds, but for the calendar year 1933 they were 43,000,000 pounds, for the year 1934 they were 46,000,000 pounds, and for the month of December, 1934, alone they exceeded 7,200,000 pounds. Recently there have been several shipments of Canadian cattle to the Chicago market, paying a tariff of 3 cents a pound on cattle weighing to exceed 700 pounds. If the secretary's prediction of higher meat prices comes true, the imports from Canada will naturally increase. We are advised by an official of the Bureau of Agricultural Economics that dressed beef from foreign countries is now on the market in Washington, as well as in other eastern consuming centers.

"There are now on feed in our own country many thousands of Mexican cattle, which have not paid the duty, but are being held in bond, the duty to be paid when they go to market. It is estimated by reliable authority that as many as 300,000 head of Mexican cattle will cross the border into the United States during the coming spring. I submit herewith for your consideration a telegram offering for sale 10,000 head of Mexican cattle for immediate delivery.

"Thus it would seem that the result of placing a processing tax on cattle today would mean an increased importation of cattle and cattle products, increased production of poultry and rabbits, besides increased consumption of fish and sea foods.

"It is our understanding that the proposed amendment would specify a maximum tax of 30 cents per 100 pounds upon cattle, $1.25 per 100 pounds upon hogs and butter-fat, and 20 cents per 100 pounds upon sheep; the total revenue derived from these taxes to be pooled and expended for the betterment of the live-stock industry, according to the discretion of the secretary. Such a program might very well benefit the hog-producer, who has long been on an export basis, but who has recently lost his export outlet. We cannot see wherein the tax on cattle should be used for anything but for the benefit of cattle, such as expanding domestic and foreign outlets, and for production control, if, and when, a cattle surplus exists.

"The estimates of the Department of Agriculture for January 1, 1935, indicate a cattle and calf population of 60,667,000 head. The corresponding figure a year ago was 68,290,000—a reduction of 11.2 per cent. With a reasonable pick-up of industry, and with increasing consumer demand, we can see no reason why the cattle industry should be confronted with a surplus within the near future.

"It is the expressed intention of the representatives of the Taylor Grazing Administration and of the Forest Service to curtail somewhat the production of cattle and sheep. But they make no mention of compensating the cattle and sheep industry for such reduction. There is still a drought condition between the Rockies and the one-hundredth meridian, and in some other sections of the West, which, if not broken this spring, will also add to the reduction of cattle and sheep. The 1935 calf crop, due to drought conditions of 1934, will be greatly below normal. Farm credit administrators state that it will be their policy to insist upon reasonable annual marketings, and that they do not intend to encourage increased production. The disease-eradication program of the Bureau of Animal Industry is in full swing, which will also mean reduction in cattle numbers.

Those present of the cattle Committee of Twenty-five, by a vote of 12 to 10, on February 28, 1935, opposed a tax on cattle and cattle products for the purpose of reducing corn and other feed grains. This action of the committee was not rescinded by the recalled committee, which met on March 5 and 6. The Committee of Twenty-five voted in favor of all changes suggested in S. 1807, and which are referred to in this statement.

"We believe that a very grave problem of today, and one which will always exist in the live-stock industry, is that of marketing the product from the producer to the consumer. We believe that through a processors' marketing agreement a great many of the ills of the live-stock industry can be remedied."

EMERGENCY CROP LOANS READY

EMERGENCY CROP AND FEED LOANS FROM THE $60,000,000 fund appropriated by Congress are now available, according to announcement by Governor William I. Myers, of the Farm Credit Administration. The loans will be made only to farmers who are unable to obtain supplies, feed, or the necessary credit to purchase such items elsewhere. As in the past, applications for loans will be made to the county crop-loan committees already set up.

Loans will be made only to applicants who are co-operating directly with the production control program of the Agricultural Adjustment Administration, or who are not proposing to increase their 1935 production in a way detrimental to the success of that program. A statement to this effect is contained in each loan application.

The maximum emergency crop loan to one farmer this year is $500, and the minimum $10; but no loan for the growing or harvesting of crops may be made in an amount greater than is actually needed in each case to purchase seed and fertilizer necessary for production.

"I find many interesting articles in THE PRODUCER."—LUDVIG LINDBACK, Halfway, Wyoming.

OUR TRAFFIC PROBLEMS

TRAFFIC AND TRANSPORTATION

BY CHARLES E. BLAINE

Traffic Counsel, American National Live Stock Association

Railroads' Application for Increased Live-Stock Rates Denied

THE INTERSTATE COMMERCE COMMISSION, IN EX Parte 115, *In the Matter of Increase on Freight Rates and Charges, 1934*, unanimously denied the application of the rail carriers, filed on August 27, 1934, for increase in freight rates, as reported in 208 I. C. C. 4. However, by a five-to-four vote, the majority substituted a plan of emergency charges on a long list of commodities other than the principal products of agriculture, including edible live stock, in lieu of the carriers' proposal. This decision was rendered on March 30, 1935.

The history of this proceeding is shown in the columns of the AMERICAN CATTLE PRODUCER for September, 1934, pages 11 and 19; October, 1934, page 19; November, 1934, page 15; January, 1935, page 22; and March, 1935, page 25. Suffice it to say here that for the most part an increase of 10 per cent in the present rates was proposed, subject to certain maxima and exceptions. Some commodities under the proposal were subjected to increase of flat amounts instead of percentages, while others were exempted from any increases, and in still other instances increases were proposed only for the longer hauls beyond what applicants believe to be the zone of the most acute truck competition. There were also numerous proposed territorial exceptions, principally in the Mountain-Pacific Territory. With one slight exception, the carriers proposed an increase of 10 per cent in all rates in excess of 25 cents per 100 pounds on live stock.

The carriers set out in their proposal that the increases sought by them would yield approximately $170,000,000 per year additional revenue on interstate and state traffic, assuming that the increases would be permitted on the latter traffic as well as on interstate traffic. They contended that such additional revenue was necessary in order to meet the increase in wages to their employees, which they estimated at $156,000,000, and the increased cost of materials and supplies, amounting to $137,000,000—an aggregate of $293,000,000 annually.

The decision of the commission consists of 81 pages. Therefore it is impracticable to treat with the decision in detail. After reviewing the carriers' proposal, the commission dealt with the carriers' evidence, which, generally speaking, may be roughly divided into three parts: First, their increased cost of operation, due to increases in the wages of their employees and the cost of materials and supplies. Second, expenditures which must be made in the near future to meet maturing funded debts and also loans from the Reconstruction Finance Corporation and the Administrator of Public Works. Third, efficiency and economy of operation. In the latter respect the commission stated that the carriers' evidence is largely of a statistical nature, and brings down to date evidence of a similar nature introduced in other proceedings similar in scope which have come before it in recent years. Moreover, it was pointed out that no effort was made to estimate the possible effect of any economies such as those contemplated in the Emergency Railroad Transportation Act, 1933. In this connection, Co-ordinator Eastman has pointed out to the carriers numerous economies, aggregating more than $200,000,000 per annum, which could, by voluntary action on their part, be effected immediately without increasing rates to the public.

The commission dealt briefly with the protestants' evidence, which covers some 7,000 pages of the record, and stated that such evidence in general character is strikingly similar to that presented in Ex Parte 103, in 1931, wherein the carriers were asking for an increase of 15 per cent in all freight rates.

In disposing of the legal questions involved, the commission reiterates its view that the broad purpose of, and the ultimate responsibilities imposed by, both the old and the new Section 15a (2) are the same. In other words, that there is nothing in the terms of either the old or the new section to indicate that primary weight should be given to any particular clause of the section. The Supreme Court, in referring to the new section, has stated that "the substituted rule of rate-making by its express terms emphasizes the carriers' need of adequate revenues," and further has pointed out that the amendment embodying the new act was part of the Emergency Railroad Transportation Act, which was designed to aid national control, for essential national purposes, over the railway system of the country "in the light of the depressed economic conditions of the railway." *Florida v. United States*, 292 U. S. 1, 7.

The commission dealt with the general agricultural situation, fruits and vegetables, coal and coke, forest products, petroleum and its products, iron ore, class rates, and the terminal and assessorial charges.

In arriving at its conclusions, it is clear that the majority gave great weight to the loans made to the carriers in recent years by departments of the federal government. At page 57 the majority stated:

> Shortly after our decision in Ex Parte 103, the Reconstruction Finance Corporation was created by the Congress for the purpose, among others, of aiding in the temporary financing of the railroads, and this instrumentality has been of material service in preventing their financial collapse. In addition, provision has been made for loans through the Administrator of Public Works to aid in the financing of railroad maintenance and equipment subject to our approval as desirable for the improvement of transportation facilities. Despite the aid of these loans, the financial situation of the railroads and the physical condition of their properties are, in general, worse than they were in 1931. Their immediate problem is not one of profits for railroad owners, but is rather one of enhancing railroad earnings sufficiently to cover their rising operating expenses and taxes, and particularly to enable them to maintain their plant in a condition to enable them to handle a volume of traffic which has been increasing somewhat with business recovery. So far as revenue needs are concerned, it is conceded by all that the applicants have made out their case, but it is urged by various parties that the rate increases proposed, or any increase of a general nature, if permitted, might subtract from, rather than add to, applicants' revenue.

The emergency charges authorized by the majority are set forth in detail in Appendix A of the decision. Part I shows

the general bases of these charges. On carload traffic in general the emergency charge is 7 per cent of the line-haul transportation charge but not more than 5 cents per 100 pounds. Specific maximum charges on various commodities, which will take precedence over the general 5-cent maximum, are shown in Part IV. Part V relates to coal, iron ore, petroleum, and certain other commodities, for which specific charges are designated without reference to Part I. Part II consists of rules relating to special services and also rules governing the application of the charges set forth in other parts. In Part III are listed the commodities which are exempted from the application of the emergency charges, among which are found the items cattle, calves, sheep, goats, and hogs.

Thus it is clear that the carriers are *not* authorized to increase the rates on live stock by applying the surcharges. In other words, there is no increase authorized in the live-stock rates.

Part IV names maximum emergency charge rates on certain carload traffic, ranging from 1 to 4 cents per 100 pounds. On cottonseed meal and cake Part IV shows that the maximum increase is 3 cents; on beet pulp, 2 cents; broom corn, 3 cents; meal (bean), clover, kapok seed, pea, peanut vine, rape seed, sorghum, velvet (bean), 3 cents; peanut hulls or chaff, 2 cents; fresh meats, n. o. s., 3 cents; meats (cured, dried, or smoked), 3 cents; packing-house products (edible), n. o. s., 3 cents; green hides (cattle, hog, goat, or sheep), 3 cents; feeds (blood flour, blood meal, condensed or dried buttermilk, tankage, fish meal, fish scrap, meat scraps or refuse), hoofs, and horns, 3 cents; fleshings (glustock), 3 cents; salt, 2 cents; and sulphur, 2 cents.

Part IV erroneously shows maximum emergency charge of 2 cents on fertilizer, n. o. s. However, the commission, responsive to my request, advised me that this is a typographical error, as no emergency charge is to be applied.

From a careful reading of the decision it appears that on wool in carloads the majority authorized an increase of 7 per cent, with a maximum of 5 cents per 100 pounds. If this is correct, obviously the live-stock industry should not be burdened by any such increase at this time. This matter will no doubt be handled further with the commission.

As previously stated, the original application of the carriers, particularly in the Mountain-Pacific Territory, provided that no increases were proposed on hundreds of commodities in thousands of instances. Now that the commission has denied the carriers' original application and authorized certain surcharges to be added to the present rates on certain commodities throughout the entire nation, it is impossible at this time to determine what rates will be increased by the addition of such surcharges.

Under the order of the majority, the carriers are at liberty to make the surcharges effective in connection with all the rates on the commodities for which surcharges were authorized, or only a portion thereof, just as soon as they can file proper tariffs with the commission. It is impossible to state at this time when the tariffs will be filed. Consequently the effective date of the increases authorized cannot be determined now.

Commission Sustains Present Live-Stock Rates in Utah

In No. 26590, *Utah Edible Live-Stock Rates and Charges*, the Denver & Rio Grande Western Railroad Company, by petition filed with the Interstate Commerce Commission, alleged that the difference between the interstate rates on the same commodity prescribed by the federal commission in *Live-Stock —Western District Rates*, 176 I. C. C. 1, and 190 I. C. C. 611, hereinafter called the *Live-Stock Case*, and the intrastate rates in Utah on its line, resulted in undue preference to Utah state traffic and undue prejudice against interstate traffic. Prior to filing the petition the Rio Grande had filed a similar one with the Public Utilities Commission of Utah for authority to increase its rates within Utah to the level of those prescribed in the *Live-Stock Case*. The Utah Commission had denied the Rio Grande's petition. The federal commission held hearings at Salt Lake City last fall, and in the decision written by Commissioner Lee, dated February 4, 1935, held that the Rio Grande had not shown the present intrastate rates on live stock in Utah to have caused prejudice as between persons or localities in intrastate commerce, on the one hand, and interstate commerce, on the other hand, or any unjust discrimination against interstate commerce. An order discontinuing the proceeding was entered.

The Public Utilities Commission of Utah, the Utah Citizens' Rate Association, the Utah State Wool Growers' Association, the Utah Cattle and Horse Raisers' Association, and the Utah State Farm Bureau Federation defended the case. The commission stated that "the only respondent represented at the hearing other than petitioner was the Union Pacific System. It does not support petitioner's efforts to obtain increased intrastate rates, but takes the position, based on past experience, that an increase in its rates would influence the movement of live stock by driving or trucking instead of by rail movement." Thus it is clear that the Union Pacific System, which competes with the Rio Grande in Utah for live-stock traffic, and which maintains substantially the same basis of rates on Utah traffic as that maintained and assailed by the Rio Grande, supported the shippers in this proceeding. Its officials are commended for such action.

Fill Allowances on Sheep, Lambs, and Goats

In the March issue of the AMERICAN CATTLE PRODUCER, at page 25, it is shown that the carriers in Western Trunk-Line Territory, North Pacific Coast Freight Bureau Territory, and on Transcontinental traffic have established fill allowances on sheep, lambs, and goats, ranging from 150 to 250 pounds per single-deck car, and from 300 to 500 pounds per double-deck car, where such live stock is fed and watered before being weighed.

Effective April 3, 1935, the carriers in Pacific Freight Tariff Bureau Territory, in Supplement 35 to Bureau Tariff 220-A, established the same allowances.

Information has just been received from the Southwestern Lines that they approved these fill allowances at their March meeting, and that the allowances will be established within forty-five days, thus making uniform allowances throughout the Western District.

The establishment of these allowances will result in a considerable saving to the sheep, lamb, and goat producers and shippers. Practically all their shipments moving to market are fed and watered before being weighed. In the past the weights thus obtained have been used as the basis for the freight charges on such shipments. Since the establishment of the allowances in the territories above named, the carriers have deducted the amounts of the allowances from the weights taken after the animals were fed and watered and based their freight charges on the lower weights. This has been the practice of the carriers with respect to cattle and calves for many years. Under the system of marketing which has prevailed for several years, there is no reason why like allowances should not be made on sheep, lambs, and goats. Therefore our various applications for the establishment of these allowances were filed.

THE MARKETS

LIVE-STOCK MARKET IN MARCH

BY JAMES E. POOLE

CHICAGO, ILL., April 1, 1935.

NORTH AMERICA IS ON SHORT MEAT RATIONS, and will be until exhausted feed supplies are replenished. Only in the case of ovine product does abundance exist. Each succeeding month witnesses sharp production curtailment; otherwise current prices would be impossible. Drought, and nothing else, is responsible. Visible supply of beef and hog product is the lightest in many years. The winter-fed crop of cattle went to the butcher early and at deficient weight; the spring pig crop of 1934 was cashed in similar manner. Replacement in cattle feed-lots has been far below seasonal volume, the bulk of the steers purchased since the turn of the year having been acquired for summer-grazing purposes. Restriction of pork production all but eliminated fall pig farrowing, insuring short production until the 1935 spring crop can be matured on new corn. Of lamb there is plenty to go around, and will continue to be. Speculation concerning future prices would be futile, several undeterminable factors existing—especially a tangled industrial situation; but that high prices, compared with 1933 and 1934, will continue is certain. But three months have elapsed since $10 bought choice steers, $6.50 was the limit on hogs, and $7 stopped lambs. Late in March the Chicago top on cattle was $14.20; on hogs, $9.25, and on lambs, $8.40. A somewhat spectacular advance was halted about the middle of March, when all but choice steers slumped 50 cents to $1 per cwt., hogs declined $1, and lambs took the same drop. Processors have bent their energies to prevent runaway markets, especially in cattle. Production shrinkage has been more pronounced in pork than in beef, the output of ovine product having been maintained at a volume close to that of the corresponding period of 1934, which is the only assignable reason for price disparity, compared with the other species. Crop prospects, especially grass and roughage, are excellent east of the Missouri River, where the drought has been effectively broken. West of that latitude, with the exception of a few favored localities, aridity is still assertive. High-level markets insure wide and sudden price fluctuations; only at low levels is stabilization possible. Hot spots will develop at intervals; slight supply accessions will develop weak spots in quotation lists. What has happened in fat-cattle trade during the past three months may never recur, as feeders cannot expect to bag another crop of western cattle at 1934 prices.

Cattle Prices Become Adjusted

Adjustment of cattle prices was inevitable, as early in March the quotation list was seriously out of line. That long-fed steers must go substantially higher, and middle and common grades work to lower levels, was evident—and that is what happened. At the end of March choice bullocks were at the high point of the year; medium and common types had lost anywhere from 50 cents to $1 per cwt. During the previous scramble for volume, killers grabbed anything wearing a hide. Beef-rails were cleared promptly, and daily replacement cleaned up everything convertible into a decent carcass. Canner and cutter cows went on a $3 to $4 basis, or double what they were worth in January; ragged little dairy steers cost killers $7 to $8 per cwt., and short-fed steers with decent quality were eligible to $9.50 to $12. Meanwhile killers, strenuously resisting a runaway tendency in the upper price brackets, permitted cheaper cattle to attain an untenable level. They resisted a $14 top until it broke over that line, reaching $14.20 on both medium and heavy steers; light yearlings selling at $14, and heifers at $11.50. In an effort to cheapen cost on the hooks and satisfy consumer demand for lower-price beef, the cow market boomed, kosher cows selling at $9 to $9.50. But when the break came, everything except choice steers was involved, and they comprised a small minority of the supply. Feeders' margins narrowed, but, as the entire crop of steers was laid in at the bargain sale last fall, beef-makers had spreads of $4 to $8 per cwt. on the bulk of the steers sold during March. Supply diminished as the month worked along, indicating that the residue of the crop was in strong hands, and that the bulk of the steers that went into feed-lots last fall had been closely marketed; otherwise the break would have dislodged them. Trade scouts—both packer and commission-house—returned from feeding areas with the same story: few cattle in sight. Feeders who overstayed the high market were in a minority, as attractive prices, wide margins, and feed scarcity, not to speak of muddy feed-lots, sent the bulk of winter-fed cattle to the butcher thirty days ahead of the usual schedule. Feeders, suspicious of the permanency of the new scale of prices, naturally took advantage of the opportunity to get big profits, thus recouping at least part of the losses sustained in 1933 and 1934. The package of Canadian cattle and dressed beef that seeped over the border was not responsible for the break in that class of product, consumer resistance to ascending cost being the real factor. At the inception of April, killers were resolutely opposing upward trends, regardless of the magnitude of their operations, having reached the definite conclusion that prices would not swell volume, as the necessary cattle were not back in the country. Stock cattle followed the fat phase of the trade, but beef-makers were able to secure few two-way steers, adapted to quick turns, even at $9 to $9.50, as killers invariably outbid them on this type of cattle. Consequently replacement has been at low ebb, the great bulk of country purchases having been light steers to go on grass, make cheap summer gains, and be ready to munch new corn next October. If this does not insure a short summer supply of warmed-up cattle, all the dope on the subject is worthless. The 1935 crop of yearlings—calves that went to feed-lots last fall—will realize prices high enough to dislodge them early. Choice bullocks have not reached the season's pinnacle, but a $15 top is in the offing. Heavy shipping cattle, plentiful a year ago, have practically disappeared from the picture.

Increasing Scarcity Does Not Prevent Break in Hogs

Increasing scarcity of hogs did not avert a dollar break in prices during March. Supply dwindled to 50 per cent below

normal. Even then, current arrivals represented an accumulation which was indicated by increasing weight. Some of these hogs had been held in expectation of a 10-cent market; others were retarded on a rumor that $1 of the processing tax would be remitted—an obvious hoax, as the $2.25 tax is not realizing enough money to pay contract benefits. On March 6 the crest of the rise was reached, the Chicago top going to $9.90; on the reaction this top went to $8.80. Processors met the shortage emergency by reducing killing gangs, some plants closing down. Packers ransacked every nook and cranny of the Corn Belt for more hogs, having cleaned up their own buying areas earlier in the season, but met indifferent success, direct receipts declining to small volume. Demand for breeding sows practically eliminated them from the market supply, dockers idling as pregnant sows disappeared from the picture. All over the hinterland a sow-buying furore developed, $50 per head being a common price. Drafts on provision stocks were necessary to supply trade, for which there is no previous March record. When pork loins reached a 20- to 25-cent wholesale basis, consumers balked; interior packers unloaded their coolers, and the price dropped 5 cents a pound, but not until demand had waned perceptibly. A speculative orgy in hog product, especially lard, terminated overnight, longs selling frantically to secure profits. On this break, lard declined 12½ per cent, putting medium-weight hogs in possession of the premium, although few barrows weighing over 250 pounds were available, and packing sows almost disappeared. Frenzied editorial writers, protesting against prohibitive pork prices, put blame on the AAA pig-destruction program, although that remote episode had no more to do with it than the plan of salvation. Much ado was made over imports of a few thousand pounds of Canadian tenderloins—an incident magnified editorially a hundredfold. The real hog situation has not yet developed, nor will it until along in May, when old croppers will have gone to the butcher and the porcine population of the Corn Belt will have reduced to sows and pigs. Sows were so closely marketed last year, largely in compliance with AAA contracts, that the country is short of breeding stock and will be under the necessity of conserving. Signers of the AAA contract raised few fall pigs, having exceeded their allotments with spring litters, so that a bare spot in supply is certain when fall-farrowed pigs usually go to the butcher. However, consumers appear to have definitely set a price at which they will buy hog product, unless that attitude changes. Packers, who own the bulk of the accumulation, are assured of inventory profits, and are under no necessity to jettison a single pound—a condition that is putting chain stores out of meat-retailing, as they are no longer able to dictate wholesale prices or secure possession of large quantities of meat at bargain sales. Whole or partial elimination of small packers has been a factor in restraining hog prices—a condition that will continue. Adding the $2.25 tax, droves have been costing packers between $11 and $11.50 per cwt.—a figure that is out of line with cattle prices, based on yields. At market prices, hog-growers have lost money on the winter crop, as the rise did not become effective until early February and the bulk of it was garnered at light weight previously, February and March pork production having declined to the lowest volume since "away back when." The sign-up of 1935 corn-hog contracts is close to 1934 figures, which does not mean that the plan is popular, as hog-growers are defenseless. They must either come in line or forfeit such portion of the tax as the government gives them.

Live-Mutton Trade in Doldrums

Late winter live-mutton trade floundered in a wallow of despair, so far as feeders were concerned. Early in March they had a prospect of breaking even, following a visit to Packingtown by a delegation of Colorado feeders. Immediately thereafter top lambs went to $9.35, but the following crash carried the price down to $8.25, and on one occasion $7.75 to $8 bought the bulk of the crop. Despite the fact that lamb was actually cheap to consumers, protesting against the high cost of other meats, they declined to embrace the opportunity. Processors, insisting that they were wholesaling on a minus basis, exerted strong bear pressure each day to put prices still lower. Their tactics were simple—bidding 25 cents lower at the opening, and standing pat on that proposition until late in the session. Sometimes they got away with it; infrequently they were under the necessity of putting on 25 cents per cwt., but usually the tide was in their favor. Unlike what was the case with cattle and hogs, there were always enough lambs to go around, and it was an open secret that plenty were back in the feed-lots. Late in March the California menace became effective, Chicago packers getting a string from that quarter, the first arrivals at Denver realizing $9.35. At that stage, Colorado was crowding the residue of its winter crop into Denver, in a frantic effort to clear decks before the California avalanche broke loose. Eastern feeders also showed anxiety to clean up, and each week delivered heavier poundage at the cooler than could be conveniently absorbed. Wool continued adverse to the live-lamb price to the extent of about $1 per cwt., sending shorn lambs down to $7 to $7.25. Fat sheep broke 75 cents per cwt., to $4 to $4.75, in seasonal manner, despite scarcity. Feeders took out a few fleshy lambs at $6 to $7, but the bulk of supply carried enough flesh to go into the cooler. The bald fact is that the recent campaign to increase lamb consumption has been a flop, that elsewhere than at both seaboards beef and pork are favorite meats, and that lamb needs more effective selling agencies than the "eat more" slogan, cutting demonstrations, and radio talks. At the inception of April, both Colorado and Nebraska were well supplied with winter lambs, territory adjacent to Chicago had a goodly package to clean up, and the largest California crop of springers in half a decade was ready to move. At that time the market had moved up to an $8 to $8.25 basis, with an $8.40 Chicago top; but the trade was in a rut, fluctuating 25 cents per cwt. daily, and affording scant encouragement to owners. Packers who broke into California early made their purchases high enough to lose money, unless prices can be marked up. A heavy crop of native lambs is at the arrival stage, restriction of hog production having had the logical effect of putting farmers into sheep, which will operate to the disadvantage of western commercial growers all through the summer and fall season. Winter feeding losses may affect feeding-lamb prices adversely next fall, unless feed cost breaks and stock cattle are scarce and high.

LIVE STOCK AT STOCK-YARDS

APPENDED ARE TABLES SHOWING RECEIPTS, SHIPments, and federally inspected slaughter of live stock at sixty-two markets for the month of February, 1935, as compared with February, 1934, and for the two months ending February, 1935 and 1934:

RECEIPTS

	February		Two Months Ending February	
	1935	1934	1935	1934
Cattle*	948,247‡	957,915	2,255,839‡	2,103,048
Calves	432,476‡	449,366	1,013,777‡	957,649
Hogs	1,822,703	2,728,334	4,244,518	6,973,325
Sheep	1,521,824	1,456,014	3,270,593	3,275,957

TOTAL SHIPMENTS†

	February		Two Months Ending February	
	1935	1934	1935	1934
Cattle*	381,495	316,719	854,776	703,568
Calves	127,946	124,085	303,965	274,697
Hogs	600,802	874,097	1,364,572	2,093,803
Sheep	665,681	549,204	1,385,289	1,242,213

STOCKER AND FEEDER SHIPMENTS

	February		Two Months Ending February	
	1935	1934	1935	1934
Cattle*	163,934	99,560	333,054	228,575
Calves	27,817	21,614	57,215	57,862
Hogs	25,634	34,075	55,739	75,268
Sheep	134,329	78,724	285,572	189,648

SLAUGHTERED UNDER FEDERAL INSPECTION

	February		Two Months Ending February	
	1935	1934	1935	1934
Cattle*	658,987‡	732,638	1,636,005‡	1,563,994
Calves	389,521‡	437,099	901,044‡	908,321
Hogs	2,408,826	3,433,419	5,455,859	8,824,359
Sheep	1,136,873	1,159,117	2,481,509	2,565,763

*Exclusive of calves. †Including stockers and feeders.
‡Includes cattle and calves purchased for Federal Surplus Relief Corporation.

HOLDINGS OF FROZEN AND CURED MEATS

BELOW IS A SUMMARY OF STORAGE HOLDINGS OF frozen and cured meats, lard, poultry, creamery butter, and eggs on March 1, 1935, as compared with March 1, 1934, and average holdings on that date for the past five years (in pounds except as otherwise noted):

Commodity	March 1, 1935	March 1, 1934	Five-Year Average
Frozen beef	86,958,000	44,481,000	44,151,000
Cured beef*	24,191,000	20,264,000	18,866,000
Lamb and mutton	3,502,000	3,052,000	3,100,000
Frozen pork	220,719,000	184,330,000	214,278,000
Dry salt pork*	73,789,000	112,582,000	115,070,000
Pickled pork*	376,807,000	437,044,000	429,581,000
Miscellaneous	89,633,000	65,548,000	73,510,000
Total meats	875,599,000	867,301,000	898,556,000
Lard	110,508,000	176,044,000	102,796,000
Frozen poultry	106,242,000	101,776,000	103,047,000
Creamery butter	7,981,000	36,853,000	28,176,000
Eggs (case equiv.)	1,126,000	1,119,000	1,467,000

*Cured or in process of cure.

MARKET GOSSIP

J. E. P.

AN ACCESSION TO BEEF SUPPLY IS EXPECTED late in April, when the Texas coast country will make a seasonal contribution. Elsewhere no relief is in sight. The trans-Missouri region makes no promise of a crop of grass beef. Humidity has been local and streaky. Kansas and Oklahoma pastures have been engaged for the season, but, as greater acreage per steer is necessary, they will carry fewer cattle than in recent years. Trade scouts, covering the Southwest in March, differ somewhat, but not radically, in opinion. That the calf crop will be short is a subject on which their verdict is unanimous. How short, is another story, to be determined only by an actual count. The whole country east of the Missouri River will need cattle, should nature favor it with a corn crop, for which the stage has been set. Present indications are that the corn crop will be "muddied in;" thereafter the outcome will be up to the weather.

Buyers' Strike Movement Exaggerated

Meat prices have attained levels where consumers are balking. Sensational newspaper screeds concerning buyers' strikes may be taken with the proverbial grain of salt, as these movements are invariably exaggerated. The prospect favors neither processors, feeders, nor retailers. The former are at their wits' ends securing raw material to operate plants, buyers scouring the country for both cattle and hogs. Breeders are wary of new cattle-replacement cost, especially as grain is still high, although roughage scarcity will soon be solved by the spring rise of grass. Feeder demand next fall will depend on the corn crop outcome and the action of the fat-cattle market meanwhile. Losses on lamb-feeding during the past three months may affect prices next fall, but memory is proverbially short, and, in any event, stock cattle will be high. There is encouragement in the fact that meat consumption has at all times been equal to production, beef market action having surprised the trade, as prices advanced continuously from mid-December to mid-March, for which there is no precedent at that season.

Holding for Higher Prices Often Dangerous

Human nature is many-angled, and nowhere is this more in evidence than around the stock-yards. At the price-peak period an Iowa feeder reached Chicago with a load of steers costing him $3.25 per cwt. at the low time last December. He was bid $12, but insisted to his salesman that he was entitled to more money. "Put 'em away in a shed for a day or so," he instructed. Three days later, on a sharp break, he took $11.50, thereby putting himself in the category of dissatisfied shippers, as he had been bid that price at home by a speculator. This recalls a post-war episode, when a Missouri man received $20 for a load of hogs. Later in the day

a speculator paid $20.05. To his salesman he protested that he had not waited long enough. "I have waited forty years to get $20 for a load of hogs, and I guess that was long enough," retorted the salesman.

Speculators Make and Lose Money

Country speculators have made and lost money contracting cattle in the feed-lot. On the rise prior to mid-March the game was highly profitable; later they took losses. In some instances they had profits of $1.50 to $2.50 per cwt. A Clinton County, Iowa, man was bid $11 for a load of steers in February, but remonstrance by his wife prevented closure of the deal. "I'll give you all they make over $11 at Chicago," he promised his wife. The market price was $13. Market speculators realized a hatful of money on common steers, incidentally putting a stout prop under prices for that type while killers were on a spending spree; but when the break came they were loaded to the guards. Killers ignored their cattle, and in the finality of the operation they parted with a large percentage of their previous gains. Canadian speculators also ran into vicissitude, as Dominion prices followed the domestic advance and cost of running became prohibitive. At Clearing, Illinois, thirty loads of Canuks accumulated late in March, running up a feed-bill while owners waited for a reaction. The fascination of cattle speculation lies in an uncertain draw, in which it resembles poker.

Taking a Chance Sometimes Profitable

Stock cattle bought on the low spot last December made money for those who took a chance. A typical case was a drove of 425 calves acquired at Benjamin, Texas, at the low time, wintered on wheat at Byron, Oklahoma, and sold March 15 to Lee Snyder, of Fairbury, Nebraska. Original cost was $4.25 per cwt. An Iowa man bought them in late January for April 1 delivery at $7, and sold them early in March for $8. Initial weight was 447 pounds; delivery weight, 606 pounds. They had quality and were well wintered, but it was by no means an exceptional transaction.

Lamb-Feeders Piling Up Losses

Spend 12 cents putting a pound of gain on a lamb, and sell it for 8 cents; how much is the feeder in pocket? This is exactly the condition in which the feeder finds himself. Loss on the winter crop cannot even be approximated, as returns will not be available for another thirty days, and even then accurate figuring will be difficult. When fat lambs appreciated late in December, in company with cattle, the feeders' prospect was luminous; but in March the rainbow faded, as a plumb dollar per cwt. was deducted from the price. Winter purchasing of thin lambs at $7 to $7.50 has proved ruinous. Packers who fed several hundred thousand lambs on their own account will use considerable red ink when striking balances. Their investment in California spring lambs will be equally unsatisfactory, unless the market picks up meanwhile. There is no apparent reason for $14.10 top cattle, $11.50 top hogs with the tax figured in, and $8.10 top lambs; which is exactly what happened on one session late in March. Evidently the trouble is at the distribution end of the operation, a strenuous and prolonged effort to induce meat-consumers to "eat more lamb" having been a signal failure. Unless stock cattle sell abnormally high next fall, feeders will be reluctant to take on lambs at prices that will not hit commercial feeders in the vicinity of the pocket-book. All winter, lamb has been the cheapest meat on the list—not merely relatively, but actually, cheap; yet meat-consumers have refused to take advantage of the opportunity to save money.

Poultry-Farming to Expand

A big crop of native lambs will be raised east of the Missouri River this year. Poultry production will also be expanded, as every hatchery in the country has a spindle of orders for day-old chicks, and packers are stimulating the incubation business. Farmers whose hog production was reduced in the AAA program intend to make up the deficiency with poultry and lambs. The latter crop utilizes pasture, needs only a modicum of concentrated feed, and, especially in Iowa, commands a broad local market. Farm-flock owners are becoming more efficient in handling lambs. In fact, natives have frequently sold at a premium. It means added competition for the western sheepman.

"Eat-More-Lamb" Campaign Devoid of Permanent Results

Two delegations of western sheep-feeders visited Chicago during March to make inquiry into the why and wherefore of a semi-demoralized market. They were glad-handed, packers resorting to liberal use of the oil of conciliation, although in no position to promise anything in the way of more money. One group was taken on an eastern tour to inspect wholesale and retail trade conditions, incidentally informing themselves on such trouble as packers encounter in vending their product. But one remedy for existing conditions can be suggested, and that is getting more people to eat lamb. A mutton man remarked the other day: "Give me a monopoly of two wholesale lamb markets in New York City, and you may take the entire Mississippi Valley." Eliminating the Pacific coast and a territory in the arc of a circle from Boston to Washington, not enough lamb is consumed in the United States to justify existence of the sheep industry, unless it could live on wool as a by-product.

Purebred Bulls Double in Value

A miniature boom in bovine breeding stock is well under way in the United States and Canada. Registered bulls have doubled in value, and are going higher as scarcity impends. During the depression period, thousands of young males were steered, to take the feed-lot route to the shambles, going into

beef channels at the yearling stage. Such liquidation has cleared the decks for a new deal, putting the purebred industry in a strong strategic position. Western cows are stringing into the Corn Belt, several commercial breeding ventures on a scale of considerable magnitude having been launched. In Iowa, young beef-bred cows, due to deliver calves, have sold at anywhere from $50 to $80 per head, according to quality. Invariably they are tested for tuberculosis and Bang's disease to earn this money. Their progeny will not be available for feed-lot replacement, as breeders will teach them to eat at the creep and feed out.

Official Pronouncement on Processing Taxes Awaited

An official statement concerning corn- and hog-processing taxes would be interesting at this juncture. Chester C. Davis admits that the program is in "the red," but believes increased consumption will make it self-supporting. As production is at unprecedentedly low ebb, increased production is an iridescent dream. Light was thrown on the subject recently when the Fink plant at Newark, New Jersey, changed hands, the Hygrade people acquiring it at a price reported to be considerably under a processing-tax accumulation of $612,000, to avert collection of which other creditors than Uncle Sam have started a suit to test the constitutionality of the tax, the government claiming precedence. If the courts uphold this contention, the government will own a packing-plant—meaning a pile of bricks and mortar. Rumor has been circulated that other processors are behind in tax payments.

Admitted That Tax Is Deducted from Price of Hogs

A substantial majority of corn-hog growers have signed the 1935 contract, which has been liberalized, modified, and refined to meet the drought emergency and prevent shortage continuance. This is not surprising, as they have no alternative if they expect recoupment to the extent of part of the tax. After the testimony given by George Putnam, boss economist of the Institute of American Meat Packers, before the Senate Agricultural Committee recently, skepticism as to who pays the tax is no longer justified. Mr. Putnam, who knows his stuff, stated explicitly that processors deducted the tax from the amount they paid for hogs. Interrogated, he asserted that, if the $2.25 tax came off, hogs would advance that much. The Iowa Agricultural College, in a booklet on the subject, takes identically the same position, although contending that swine-growers are benefited by curtailed production, which in turn enhances prices.

Cattle-Feeders as Inimical to Tax as Ever

Cattle-feeders—or at least 90 per cent of them—are as hostile to a processing or compensatory tax on their product as a year ago, when the subject was somewhat violently agitated. No protest gatherings have been held, as they are not apprehensive that such an impost will be levied. The only farm organization favoring the tax is the Farm Bureau, presided over by a resident of the great cattle-growing state of Alabama. Another champion of the tax is the editor of a farm paper printed at Chicago, which few cattlemen see, as it circulates in the dairy sections adjacent to that city. Corn Belt cattle-feeders have no organizations; but, if a tax is put on their product, they will make the welkin ring. About a year ago a cotton expert was sent to Nebraska to boost the cattle-tax idea, and he ran into a squall at Lincoln when he spoke before the Nebraska cattle-feeders' association. The writer has addressed thirty-seven Corn Belt meetings since early last November, and has failed to find a single feeder favorably disposed to the plan of levying a processing tax on cattle.

Sellers of Substitutes Taking Advantage of High Meat Costs

"Ballyhoo" concerning high meat costs is gaining rather than diminishing in volume. Meatless menu specialists are filling newspapers with propaganda, and substitute-venders are noisy over the radio, endeavoring to generate psychology adverse to meat. Agricultural college domestic scientists are gross offenders in this respect, their logic dealing with superior food values of eggs and dairy products. Scarehead news stories exaggerate live-stock costs, and from the national capital intermittently come official yarns concerning advancing meat cost, invariably accompanied by prediction of further appreciation. All this is detrimental to the industry, as consumers are supersensitive on the price subject. The fact is that meat prices compare favorably with competing foods. As to what may happen, speculation is absurd. Certainly, prediction of substantially higher prices is bad policy. Much of this propaganda has a political background, especially when it berates the administration for 1933 pig slaughter—an act which had not even a remote influence on current meat production.

HIDES FAIL TO REACT TO REDUCED SLAUGHTER

J. E. P.

A SOFT HIDE MARKET IS NOT SUGGESTIVE OF higher prices, at least until the government stock is out of the way. On packer account, it is a 8- to 10-cent market; country hides are nominal. The packer market is alternately brisk and dull, packers keeping as closely sold up as possible, when not under the necessity of making substantial concessions. The leather market is fairly active, demand centering on material used in turning out low-cost shoes.

Reduced cattle slaughter has not been reflected in hide prices, as stocks of both hides and leather are ample, and this is not considered an opportune moment for bulling anything. Packers are anxious to cash hides; tanners are equally anxious to hold inventories down. Complaint of extensive utilization of leather substitutes is heard, prompting efforts to

secure restrictive legislation. A bill has been introduced in Congress which, if enacted, would make it unlawful to sell in interstate commerce any boot or shoe made in, or imported into, the United States unless bearing a tag or label showing the component parts of which it is made—whether leather, rubber, textiles, paper, cardboard, or other leather substitutes. Trade experts assert that leather substitutes in shoes now displace between 4,000,000 and 5,000,000 cattle hides annually, reflecting popular demand for cheap footwear.

Sooner or later actual or prospective deterioriation of government hides will force that accumulation on the market. So far no plan has been formulated, except that there is no intention at Washington to tan or go into manufacturing. Inevitably reduced cattle slaughter—now at the lowest ebb in many years—will push hide values upward, but the time has not arrived. Early disposal of government hides might be a way out.

WHOLESALE MEAT PRICES

WHOLESALE PRICES ON WESTERN DRESSED meats at Chicago on April 1, 1935, compared with March 1, 1935, and April 2, 1934, were as below (per 100 pounds):

FRESH BEEF AND VEAL

STEER (700 lbs. up):	Apr. 1, 1935	Mar. 1, 1935	Apr. 2, 1934
Choice	$17.50-19.00	$18.50-19.50	$ 8.50- 9.50
Good	16.50-17.50	17.00-18.00	7.50- 8.50
STEER (500 to 700 lbs.):			
Choice	17.00-18.50	17.50-19.00	9.50-11.00
Good	16.00-17.50	15.50-18.00	8.00-10.00
YEARLING STEER:			
Choice	17.00-18.00	17.00-18.00	10.50-11.00
Good	15.50-17.00	15.50-17.00	8.50-10.50
COW:			
Good	12.00-13.00	12.00-13.00	6.50- 7.50
VEAL:			
Choice	12.50-14.00	14.50-15.50	10.00-11.00
Good	11.00-12.50	13.50-14.50	8.00-10.00

FRESH LAMB AND MUTTON

LAMB (45 lbs. down):			
Choice	$15.00-16.00	$17.50-18.00	$15.00-16.00
Good	14.00-15.00	16.00-17.00	14.50-15.50
MUTTON:			
Good	10.00-11.00	10.00-11.00	7.00- 8.00

FRESH PORK CUTS

LOINS:			
8-12 lb. average	$20.00-21.50	$20.00-21.00	$12.00-13.00

British Cattle Subsidy Extended

The British cattle subsidy of approximately $12 per head, paid during a seven-month period which was to have ended March 31, has been extended to June 30.

COMPARATIVE LIVE-STOCK PRICES

BELOW ARE FIGURES SHOWING PRICES ON THE principal classes and grades of live stock at Chicago on April 1, 1935, compared with March 1, 1935, and April 2, 1934 (per 100 pounds):

SLAUGHTER STEERS:	Apr. 1, 1935	Mar. 1, 1935	Apr. 2, 1934
Choice (1,100 to 1,500 lbs.)	$13.00-14.20	$13.00-13.90	$ 6.50- 7.65
Good	10.50-13.00	10.00-13.25	5.50- 7.00
Choice (900 to 1,100 lbs.)	12.25-14.00	12.50-13.75	7.00- 7.75
Good	10.25-13.00	9.50-13.00	6.00- 7.00
Medium (900 lbs. up)	8.50-10.75	8.25-10.25	4.75- 6.00
FED YEARLING STEERS:			
Good to Choice	9.75-13.50	9.50-13.00	6.00- 7.75
HEIFERS:			
Good to Choice	9.50-12.00	9.25-12.00	5.25- 6.50
COWS:			
Good	6.75- 9.25	6.50- 9.25	3.50- 4.50
CALVES:			
Good to Choice	7.00-10.50	7.00-10.50	3.50- 5.00
FEEDER AND STOCKER STEERS:			
Good to Choice	6.50- 9.00	6.25- 9.00	4.50- 5.75
Common to Medium	5.25- 6.75	5.00- 6.25	3.25- 4.75
HOGS:			
Medium Weights (200 to 250 lbs.)	8.90- 9.10	9.35- 9.55	4.25- 4.40
LAMBS:			
Good to Choice (90 lbs. down)	7.50- 8.35	8.50- 9.25	8.90- 9.40
EWES:			
Good to Choice	4.00- 5.50	4.00- 5.50	4.00- 5.75

SLIGHT IMPROVEMENT IN WOOL

J. E. P.

LESS PESSIMISM IS PROWLING AROUND THE WOOL market than recently. Government orders lubricated gears, stimulating buying on civilian account, and incidentally creating improvement in trade psychology. Considerable wool is in storage, owned either by dealers or by growers; but, if credence may be given current reports, manufacturers are operating on a hand-to-mouth basis. Assuming this to be correct, the amount of wool in distributors' hands is not a surplus, if properly distributed. However, the new clip must be reckoned with, and it is already at the shearing stage.

An open winter has been adverse to retail clothing trade, spring finding dealers with unsold stocks of heavy goods and overcoats on hand. Partly as a result of this, demand for raw wool has disappointed the trade for three months past. Manufacturers, assuming that plenty of wool will be available, have refused to anticipate future requirements, restricting purchases to immediate needs.

Late in March the government put into effect a new program designed to tune up the market. This plan eliminates fixing or approval of any schedule of basic prices below which houses signatory to the plan could not sell, which makes trading possible on a marketing basis.

The plan provides for ratable selling as previously practiced, so far as possible. "Order" buying is prohibited, but "sales" to arrive are permitted, all sales, both spot and to arrive, being made on a grease basis, and not subject to test. Growers carrying government loans are allowed to sell to any house, whether on the approved list or not, provided growers are solvent. Advances on consignments may not be guaranteed, nor may a small quantity of wool be sold at a high price to influence a large quantity on consignment. Sales must be reported as made, the intention being to exercise strict surveillance over houses subscribing to the plan. Commissions are 2 cents a pound for original bag wool, and 2½ cents where it has been graded.

This affords greater freedom in selling wool, and is expected to stimulate business; but the underlying factor is

civilian consumption. Taking 25,000,000 pounds of grease wool off the market for army, navy, and CCC purposes was merely a tonic, and, as the clothing-purchasing power of the masses is deficient, little bullish opinion is heard at concentration points, an impression existing that higher wool prices would merely operate to the advantage of substitutes. The industry is considered in sound position, however, and making a practically free market cannot have an adverse influence.

Reports from piece-goods centers are conflicting. Expensive clothing is not moving freely, but the "line" concerns turning out cheap raiment are doing a respectable volume of business. Under present conditions, the male portion of the consuming public insists on suits selling in the $15 to $25 range, and about $5 more for overcoats. Few men are finicky about sartorial appearances, especially when operating motors. The Sunday-go-to-meeting suit has disappeared from the average wardrobe, and the white-collar element has reduced its appropriation for clothes. Women's wear is skimpy, absorbing less than half the wool poundage of former years.

Foreign markets, recently sloppy, have acquired a firm undertone. March London sales picked up somewhat encouragingly, British spinners taking the bulk of the offering, and Swiss, Austrian, and Scandinavian buyers picking up respectable packages. The war scare—if it may be dignified by that term—has not created a ripple on the market surface.

Reception of the new clip depends on civilian-goods demand. Government pump-priming at intervals is possible. Manufacturers are in bargain-hunting mood, but their needs may force them to assume a different attitude. Dealers are talking 23 to 24 cents for Ohio greasy quarters, 20½ to 21 cents for low quarters, and 25 to 26 cents for graded three-eighths, but are shooting too low, in trade opinion. At least, there has been no disposition to sell on that basis. When actual sales are made, prices are usually kept under cover. Western-grown wools have received scant attention, a modicum of early-shorn Arizona wools changing hands at Boston late in March at 19 cents—or about 55 cents, clean basis. Fine wools have sold in a moderate way at 55 to 60 cents, clean basis, Boston. Whatever happens, there will be plenty of wool to go around, making it impossible to crowd the market.

WOOL MARKETING PLAN FOR 1935

A WOOL AND MOHAIR MARKETING PLAN SIMILAR to that followed in 1933 and 1934 will be continued during the current year, Governor W. I. Myers of the Farm Credit Administration has announced. Some changes in regulations which will permit greater flexibility in marketing have been adopted.

Growers who are borrowers from units of the Farm Credit Administration may use their own discretion as to whether they sell for cash or consign their wool or mohair, but the administration will recommend to its borrowers that they consign their wool to approved consignees, in order to promote orderly marketing.

FEEDSTUFFS

THE PRICE OF COTTONSEED CAKE AND MEAL ON April 5 was quoted at $33.75 a ton, f. o. b. texas points. On April 1 Omaha hay prices were as follows: Alfalfa—Choice leafy, $23; No. 1, $21.50 to $22; standard leafy, $21 to $21.50; standard, $21; No. 2, $20; No. 3, $19; sample, $12 to $15; upland prairie—No. 1, $23.50; No. 2, $21.50 to $22; No. 3, $16.50 to $18.50; sample, $15.50; midland prairie—No. 1, $20.50; No. 2, $18.50 to $19.50; sample, $14.50 to $15.50; mixed hay—No. 1, $23.50; No. 2, $21.50; No. 3, $16.50 to $18.50.

WOOL PRODUCTION IN 1934

PRODUCTION OF WOOL IN THE UNITED STATES IN 1934 amounted to 418,158,000 pounds, of which 357,658,000 pounds were shorn wool and 60,500,000 pounds pulled wool, according to figures released by the Division of Crop and Live Stock Estimates. This compares with a total production of 428,921,000 pounds in 1933 and 412,540,000 pounds in 1932.

The estimated number of sheep shorn in 1934 was 45,192,000 head, compared with 44,769,000 in 1933 and 44,431,000 in 1932. The weight of wool per fleece was 7.91 pounds in 1934, 8.15 pounds in 1933, and 7.77 pounds in 1932.

The estimated production in 1934 does not include wool from the skins of the 3,607,000 ewes that were bought by the Agricultural Adjustment Administration and slaughtered for food, or condemned and killed.

The accompanying table shows for seventeen western states the estimated amount of wool shorn (in thousands of pounds) and the number of sheep shorn (in thousands) in 1934 and 1933:

State	Production		No. Sheep Shorn	
	1934	1933	1934	1933
Arizona	4,980	4,988	830	860
California	21,876	24,032	3,209	3,128
Colorado	13,122	12,774	1,661	1,539
Idaho	18,445	17,372	2,170	2,020
Kansas	3,328	3,462	467	505
Montana	35,966	33,276	3,707	3,540
Nebraska	2,311	2,731	308	366
Nevada	6,358	6.708	883	860
New Mexico	17,136	17,430	2,520	2,490
North Dakota	6,972	7,056	840	840
Oklahoma	1,312	1,154	160	148
Oregon	19,775	18,105	2,273	2,130
South Dakota	9,960	9,200	1,245	1,150
Texas	60,485	74,800	7,608	7,875
Utah	17,512	17,630	1,990	2,050
Washington	6,208	6,640	640	613
Wyoming	33,212	29,808	3,496	3,240
Total United States	357,658	364,721	45,192	44,769

Canada's Forest Areas

Canada's forests occupy 1,153,000 square miles, or 32.8 per cent of the total land area of the Dominion. Half of this area is accessible and capable of producing commercial timber.

FOREIGN

ENGLISH LIVE-STOCK LETTER

BY JOSEPH RAYMOND

[*Special Correspondence to The Producer*]

LONDON, March 15, 1935.

GOVERNMENT ORGANIZATION OF THE STAPLE food supplies has experienced, in recent months, most of the troubles likely to beset a force that seeks to turn the natural flow of trade into unwonted channels. After the milk bungle came the difficulties with bacon pigs, and now, with beef prices still declining, the Ministry of Agriculture seems at a loss to produce what it formerly announced as a "long-term beef scheme."

The situation has grown more complicated by the refusal of the Dominions to agree to the imposition of the levy of 2 cents a pound on imported beef, the proceeds of the levy to be devoted to subsidizing the home producer. Despite the subsidy of $1.80 per live cwt. already paid, the price of graded cattle is still declining, with a corresponding slowing-down in the demand. Most of the trouble has been due to the large number of unfinished cattle which has been permitted to quality for the subsidy, the inferior home-killed beef being placed on the market as a result having brought about a serious reaction on the part of the consumer. The government is hopeful of putting a long-term plan into operation by July, and is considering the farmers' plea that a scheme formulated on the basis of the Live-Stock Commission's report, with a guaranteed price for all beef cattle, should be introduced. The meat trade has expressed no quarrel with such a scheme, provided there is an accompanying guarantee of supply. On the other hand, it is argued (and many of the better class of producers are in agreement with the view) that the long-term plan, probably with a permanent subsidy, should apply only to bullocks and heifers. Strong representations have been made to the Cattle Committee against the inclusion of cows and in-calf heifers in the subsidy, and the government's attention has been drawn to several instances where the full live-weight subsidy has been paid for heifers that, after slaughter, have been found to be carrying calves weighing close on 56 pounds. The Minister of Agriculture has agreed that the subsidy offers a big temptation to unscrupulous breeders to put such animals through, and also that there is some justification for the butchers' demands that they should be compensated for graded beasts condemned after slaughter on account of disease, but Mr. Elliot refuses to commit himself at this stage as to the government's intended policy on these points.

Agricultural and meat-trade circles are now beginning to lean very strongly to the belief that the Minister of Agriculture's pigs and bacon schemes are in a shaky condition, and that they will have to be dropped altogether unless an unexpected improvement takes place in the bacon industry within the next two months. All efforts to eliminate non-contract hogs at the live-stock markets have failed, producers preferring to use this "safety valve" as a means of checking the monopoly of bacon hogs which the two or three big curers were securing. The curers complain that these non-contract hogs obtain better prices than they can afford to pay, with the result that producers are tempted to cut down fresh contracts in favor of the open markets. On the other hand, the producers have pointed out that the curers themselves buy freely in the open market and are responsible for the better values obtained for free hogs; hence, they maintain, the contract rates are too low. The fact also remains that the consumer demand for bacon continues to decline rapidly, while feed costs do not fluctuate sufficiently with the contract price of hogs as fixed by the Bacon Board. Chaos seems to prevail all around, and although the hog population shows an increase of 12 per cent since the schemes have been in operation, Mr. Elliot's critics declare that the expense involved and the upset to the industry have far from justified the Minister of Agriculture's operations.

The Pigs Marketing Board has announced that, in accordance with the provisions of the present contract, the ascertained price of green Wiltshire-style bacon is $25.45 per cwt., and the ascertained cost of feeding-stuffs, as certified by the Ministry of Agriculture, is $2.10 per cwt. Therefore the price of Class 1, Grade C, hog is now $2.95 per score. In addition, the curer pays 2 cents toward the insurance, and 4 cents per score on every hog to form a pool out of which will be paid the bonus on hogs delivered during the first four months of the year. In the meantime, the organized body of registered hog-producers has expressed extreme dissatisfaction with the present contract price. According to the annual report of the board, a total of 24,619 registered producers entered into contracts for the supply of bacon hogs during 1934, while an improved standard all around was noted.

Another matter which is causing a good deal of discussion in live-stock circles is connected with the railway monopoly of bacon pigs. By law, the buyer has to pay the railway companies 50 cents for each hog transported by road or rail, whether or not he uses his own trucks. The original object of the flat-rate transport charge was to even up the disadvantage of a sender being at a long distance from the factory to which he had contracted to supply hogs. The Bacon Board and the railway companies are now suggesting that all hogs, whether intended for pork or bacon, should be included in the flat-rate scheme, and, as unregistered producers fear that the transport costs will be deducted from the buyers' bids, they are joining the pork men in protesting against the proposal. It is also feared that the flat-rate charges will be extended to all live stock, to assist the government in its plans to put the railways on a more equitable footing with road transport.

The fat-stock and store-stock markets are still comparatively quiet. Fat cattle are coming forward in fair numbers, first- and second-quality steers making $9 and $7.75 per live cwt., respectively. Values for store cattle are slightly in favor of sellers, but the demand is by no means so brisk as is usually the case at this time of the year. The sheep trade is the brightest feature of the live-stock markets, fat sheep having been rather heavier offerings for some weeks, with an active demand, and supplies readily absorbed. An advance is recorded in recent values, with no signs of an immediate set-back. First-quality Downs are making around 28 cents a pound, compared with 22 cents at this time last year. Store sheep have been moderate offerings, Store wethers are in demand at firm values, but ewes with lambs are meeting with only a very moderate inquiry. Fat hogs are fairly numerous, but the general demand for baconers and porkers is not so keen, and values are well in favor of buyers. Fat sows are in moderate supply, and experience a fair inquiry at firm-to-dearer rates. The average quotations for first-quality baconers and porkers are now $3.10 and $3.60 per score pounds, respectively.

THE BULLETIN BOARD

MANCHURIAN MILLET OF UNCERTAIN VALUE

To correct an impression given by a "Forage Crop Bulletin" issued by the "Peppard Service" of Kansas City, Missouri, to the effect that the Department of Agriculture is approving importation of Manchurian millet as the equal of Tennessee German millet, the department states that this is not the case, and that imported Manchurian millet, as a rule, is very inferior to our domestic millet. Compared with our German millet, Manchurian millet is not so uniform in growth, is not so leafy, and usually matures later. Seed-dealers who offer Manchurian millet as German millet are deceiving farmers, says the department. German millet is a definite American variety, and there is no evidence that it is grown in Manchuria.

BANG'S DISEASE CONTROL WORK

Testing cattle for Bang's disease (hemorrhagic septicemia) has proceeded rapidly in forty-six states since July, 1934, following enactment of the Jones-Connally bill providing $16,000,000 for eradication of contagious live-stock maladies.

In the seven-months' period, July, 1934, to February 1, 1935, agglutination blood-tests were completed on 73,081 herds, comprising 1,321,462 head of cattle. These tests revealed that 33,339 of the herds tested contained infection, and that 183,856 head of the 799,385 animals included in the infected herds reacted to the test.

TWO-THIRDS OF COUNTIES TUBERCULOSIS-FREE

Two-thirds of all the counties in the United States are now practically free of bovine tuberculosis, according to a map just issued by the Department of Agriculture. The map reflects the results of tuberculin-testing in which the federal department co-operated with the various states. Since 1917, when the work began, infection among cattle has been reduced to a minimum in 2,035 counties, or 66.3 per cent of all the counties. The work has extended also to Alaska, the Hawaiian Islands, and Puerto Rico.

WOOL SUPPLIES

A caution to wool-growers not to become panicky because of reports concerning the effect of last year's carry-over on this year's market has been sounded by the Farm Credit Administration. An analysis indicates that the June carry-over will be approximately 125,000,000 pounds—the amount normally carried over from one season to the next.

Looking beyond June, a reduced clip is expected for 1935. Various estimates place the 1935 clip at about 380,000,000 pounds, including 60,000,000 pounds of pulled wool from the pelts of slaughtered animals. This amount, added to the June carry-over, is about 505,000,000 pounds, or just a few million pounds in excess of a normal year's consumption. Figures show that over the past ten years average annual consumption is approximately 494,000,000 pounds.

CORN SILAGE CAN BE MOVED WITH SMALL LOSS

Farmers in the drought areas whose winter feed is about gone are interested in knowing whether corn silage can be moved with safety in the spring months. By following simple precautions, such silage can be moved a considerable distance by truck or railroad without much waste or depreciation in feeding value, according to the Department of Agriculture.

Silage which is exposed should be dampened after loading. If practical, a tarpaulin or other cover should be put over it. At the farm of the purchaser, silage can be stored in a silo or other receptacle. It should keep satisfactorily, if well packed and watered.

A large amount of drought-damaged corn was ensiled last fall, much of which has not been fed, and usually can be purchased at a reasonable price in comparison with the prices asked for hay. It acts as a tonic, and can be fed to advantage.

EARLY SPRING LAMB CROP

The early spring lamb crop of 1935 is a little smaller—probably 1 to 2 per cent—than that of 1934, according to a report issued by the Bureau of Agricultural Economics. The condition of the early lambs on March 1 of this year averaged somewhat better than the 1934 early lambs at the corresponding date. Except in Texas and Missouri, weather and feed conditions in all the early lambing states have been favorable.

THE GALLANT GRAZIER

In protest against a suggestion that applicants for the jobs of district graziers under the Taylor Grazing Act might qualify either with four years of college training or seven years of range-management experience, the following ditty was telegraphed to Washington by a cattleman who wondered if the administration seriously intended such alternatives:

Oh, I am a gallant grazier!
I got out of college this year.
I know mathematics,
My French and dramatics;
But what in the hell is a steer?

Correct.—"Now tell the jury, lady," instructed the young lawyer, "just where the prisoner was milking the cow."

The young lady, a trifle embarrassed, smiled sweetly and replied, "Why, I think it was just a little back of the center, sir."

ROUND THE RANGE

RANGE AND LIVE-STOCK REPORT

Serious shortage of moisture still exists in much of the Great Plains section. East of the Missouri River, moisture and feed prospects are good. Cattle have held up well on short feed, due to favorable weather conditions. Losses generally have been light, but movement of some cattle from the hardest-hit drought areas will be necessary:

Condition by states follows:

Arizona.—Moisture and feed conditions best in years; cattle doing very well.

California.—Ranges and pastures better than in many years; cattle have made good gains; grass-fat beef will be ready early, and in larger volume than for several years.

Colorado.—Drought conditions serious in eastern part, and some cattle must be moved; moisture and feed prospects good west of Continental Divide and on west side of San Luis Valley; cattle thin in eastern dry-land areas, in good flesh in irrigated and western sections.

Idaho.—Lower ranges fairly well supplied with moisture, with fair to good feed prospects on high ranges; losses have been light.

Kansas.—Drought continues over western and north-central sections; moisture conditions good in central, eastern, and south-central areas; live stock has done well, except in west and southwest.

Montana.—Cattle wintered well, except in eastern dry areas; moisture conditions good in western section, fair to good in central third, but dry in east.

Nebraska.—Cattle wintered well, with considerable feeding; little moisture except in eastern sections.

Nevada.—Rain and snow have improved feed prospects, but moisture needed; cattle wintered fairly well; losses have been light.

New Mexico.—Feed prospects good in west and northwest, but eastern sections still very dry; live stock must be moved from dry areas unless rains come; cattle generally thin.

North Dakota.—Live stock thin, but has been favored by mild, open weather; range-feed prospects continue poor, particularly in western areas.

Oklahoma.—Moisture and feed prospects good; although cattle are thin, they will make early gains, except in western dry counties.

Oregon.—Moisture and feed prospects fairly good in west, but shortage still exists in some eastern sections; cattle thin in eastern drought areas, and will make slow gains, due to late starting of new feed.

South Dakota.—Old range feed short, and there is shortage of moisture to make spring grass; live stock holding up unusually well.

Texas.—Drought conditions continue over much of west Texas and in Panhandle; central, eastern, and southern sections have had ample moisture, with good feed prospects; cattle thin in dry areas.

Utah.—Moisture still short, except in northern and higher areas; spring feed slow in starting; cattle have held up well, but are thin.

Washington.—Feed and moisture outlook good; cattle wintered well and are in good flesh.

Wyoming.—Little moisture exists to make spring feed; snows have supplied moisture in Sheridan, Buffalo, and Lander sections; snowfall in mountains light; range-feed prospects poor; cattle thin, but losses have been light.

REPORTS BY STOCKMEN

Montana

The weather is unsettled here. We have not had enough snow or rain to do much good. We need a good rain to settle the ground and fill creeks and reservoirs. Live stock is doing fairly well. Unless it turns cold and stormy, there will be small loss. Not many dairy cows are being sold. A few ranchmen are closing out.—M. C. WILSON, Decker, March 15.

There is plenty of hay in this part of the country to carry live stock through to green grass; also plenty of snow to assure irrigation water, and moisture to make range feed. With cattle prices going up, it looks as though the sun will shine on both sides of the fence for the cattlemen this fall.—MAGGIE HALLIGAN, Lima, March 29.

Nebraska

The last report from my ranch foreman says that cattle are looking fine, that they have plenty of feed until grass time, and that they have had more moisture so far this winter than for several years.—CHARLES METZ, Omaha, March 12.

Nevada

Conditions are far better than last year, but precipitation is still much below normal. It has been an easy year on stock—no cold weather and no snow to lie on the ground any length of time. The ground is in good condition, and, if we get some spring storms, prospects for crops will be good.—I. E. WINES, Arthur, March 14.

We have had a mild winter, and cattle have wintered well. Dry cattle are all in good shape; cows and calves are on hay. We have had a liberal amount of rain, and snow in the Sierra Nevada Mountains has been plentiful; so our summer pastures will be extra good, as we irrigate them all. Our cattle are bringing good prices—steers, 9 cents; heifers, 8 cents, and cows, 6½ cents.—J. A. STROSNIDER, Yerington, March 18.

North Dakota

We have had about a foot of snow in the northern part of North Dakota, with very little in the southern half. The ground is very dry, even where snow did fall. Stock is coming through in good condition, although some has had to be fed. Pastures are short.—ANDREW JOHNSTON, Watford City, March 10.

Utah

The cattle business looks more promising than it has done for several years. We are having a lot of storms, which makes things look better.—N. P. MADSEN, Manti, March 6.

Wyoming

We have had a mild winter, with plenty of snow for irrigation. Stock is doing fine, for those who have ample feed. Lots of cake and some grain have been fed.—LUDVIG LINDBACK, Halfway, March 28.

SHIP

YOUR STOCK

TO

CHICAGO

THE

LIVE STOCK MARKET

OF THE WORLD